

Aquino closer to ceasefire with Communist rebels

By Samuel Senoren in Manila

THE GOVERNMENT of President Corason Aquino of the Philippines moved closer with Communist rebels to signing a temporary ceasefire agreement, probably during the weekend, as major differences were thrashed out during crucial negotiations in Manila late on Wednesday.

The truce, which will be the first since the Communist New People's army started fighting in 1969, is expected to last 60 days effective from early next month. The Communist representatives, the National Democratic Front (NDF), had proposed a 100-day truce.

Government negotiators offered to cut the truce period to 30 days, which could be extended by another 30 days, upon pressure from senior military commanders who feared the rebels might use the lull in the fighting to regroup their forces.

"We are closer than ever to coming to an agreement. When we sit down at our next meeting we will not stop until we reach an agreement," the chief government negotiator Mr Ramon Mitra said yesterday.

The Communist offer for a ceasefire came after Mrs Aquino, under pressure from Mr Juan Ponce Enrile, her outspoken Defence Minister, announced she would end the negotiations if no substantial agreement was reached. During the ceasefire, Mr Mitra's team and Communist negotiators are to continue discussions on how



Mrs Corason Aquino

to permanently end the insurgency, which has cost thousands of casualties during the past 17 years. A ceasefire would represent a major moral victory for Mrs Aquino whose "soft" handling of the Communist problem has come under heavy criticism from the armed forces.

There is doubt, however, if a lasting peace with the Communist is possible. Communist leaders have openly called for a sharing of power with the Aquino Government.

Mrs Aquino has adamantly refused the call, vowing she would not share power with the Communists while she was President.

Australian unions endorse pay policy shift

By Chris Sherwell in Sydney

AUSTRALIA'S trade union movement yesterday endorsed a shift of policy from full price indexation of wage increases in favour of a more flexible two-tier system of pay claims.

The decision represents a victory for the moderate leadership of the Australian Confederation of Trade Unions (ACTU).

The Actu will fall back on the two-tier proposal as an alternative to full wage indexation at legal hearings on national wage increases for 1987.

Under the two-tier system, all workers would be expected to receive a minimum wage increase, while additional rises would be negotiated by unions at industry and company level.

The Labor Government of Prime Minister Bob Hawke supports the idea provided it does not lead to wage increases beyond the 6 per cent outlined in the August budget.

Singapore's 3.8% growth

By Steven B. Butler in Singapore

THE SINGAPORE economy expanded by 3.8 per cent in the third quarter, compared with the previous year. The government now predicts growth for the year at between 1 per cent and two per cent.

The recovery was led by a strong performance in the manufacturing sector, as well as in transport and communication, which grew by 11.9 per cent and 11.5 per cent respectively.

Financial and business services grew at 2.5 per cent, and commerce at 1.5 per cent. Construction contracted by 28.1 per cent, reflecting the deep property glut.

Brig-Gen Lee Hsien Loong, the acting Minister of Trade and Industry, said: "Our recovery is still lopsided and uneven. The regional outlook is gloomy. Our performance compared to the other newly industrialised countries is mediocre. The competitive edge we have so far recovered is still narrow."

Japanese call not to undermine sanctions

By Ian Rodger in Tokyo

JAPAN'S Ministry of International Trade and Industry has asked importers not to undermine the economic sanctions imposed against South Africa by the US and European countries.

The written request was sent to 30 organisations, including the Japan Iron and Steel Federation, the Japan Coal Association and the Japan Foreign Trade Council. Japan has already banned

imports of iron and steel products, and therefore the request was aimed mainly at potential coal imports. The US has banned coal imports from South Africa.

The request is unlikely to cause distress among Japanese coal buyers since they are already planning to reduce imports because of weak local demand.

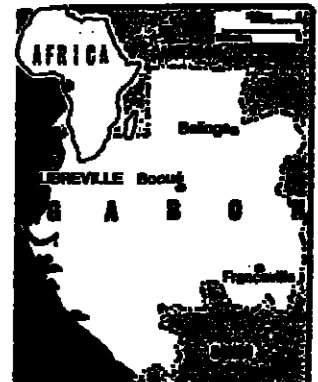
Miti's move came a day after a delegation of the Non-Aligned

Movement led by Mr Witness Mangwende, the Zimbabwean Foreign Minister, visited Japan to urge it to impose comprehensive and mandatory economic sanctions against South Africa.

Mr Tadashi Kurumari, the Japanese Foreign Minister, rejected the call for mandatory sanctions on the grounds that they would lead to a deterioration of the South African

domestic situation and make the government there more obdurate.

However, he said Japan had extended an invitation to Mr Oliver Tambo, chairman of the banned African National Congress, to visit Japan next spring and that it was preparing to send a study mission aimed at strengthening economic co-operation with South Africa's neighbouring countries.



Gabon in first deal with IMF

By Peter Blackburn in Abidjan

THE CENTRAL African state of Gabon, Opec's smallest producer, has reached preliminary agreement with the IMF on a medium-term adjustment programme, according to bankers and observers in Libreville.

The agreement, Gabon's first with the IMF, is expected to be officially approved in December, and rescheduling talks with official and commercial creditors belonging to the Paris and London "clubs" are expected to start early in 1987.

Despite an annual per capita GDP of \$3,100, the highest in black Africa, Gabon has been severely hit by the collapse in the world price of oil, which provides some 80 per cent of export earnings.

The parallel sharp depreciation in the dollar-CFA franc exchange rate has magnified the country's financial difficulties.

GDP fell by 3 per cent in 1985 when Gabon recorded its first current account deficit for a decade. GDP is expected to fall by a further 25 per cent to about CFA franc 1,100bn (\$3.1bn) in 1986.

The Government was obliged to suspend payments on official and commercial debt in mid-September. This included all official debt and principal repayments on commercial debt.

Gabon's public external debt is estimated at \$1.5bn. Debt service, which accounted for only 13.6 per cent of export earnings in 1985, is due to rise sharply over the next few years as repayments on the \$2.5bn Trans-Gabon Railway fall due and oil export earnings remain depressed.

With the price of Gabonese oil averaging \$12 a barrel in 1986 - half last year's level - the Government has been obliged to slash investment and trim administrative expenditure.

Thai minister resigns

By Peter Ungphakorn in Bangkok

THAILAND'S Commerce Minister resigned yesterday following a series of scandals including the alleged improper granting of import licences for logs from Burma.

Police Captain Surat Osathumgrah denied improper dealings but, in spite of surviving a vote of no confidence in parliament last month, his reputation was damaged and pressure increased for his resignation.

The log import licences have since been withdrawn on the grounds that the logs would have been felled by minority Karen insurgents and that the

Rangoon Government would have objected.

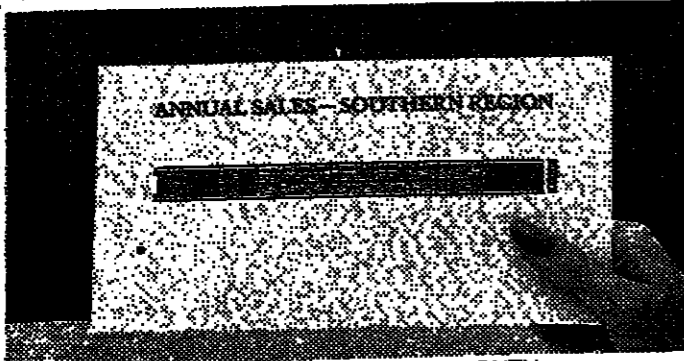
Mr Surat also issued controversial orders concerning the allocation of tax quota for export to the European Economic Community. He was accused of disrupting trade and favouring certain traders. He denied this.

The Prime Minister General Prem Tinsulanonda, still appears securely in power. This week his appointed deputy Prime Minister replaced the Commerce Minister as chairman of the important rice policy committee which is preparing for the new marketing year.

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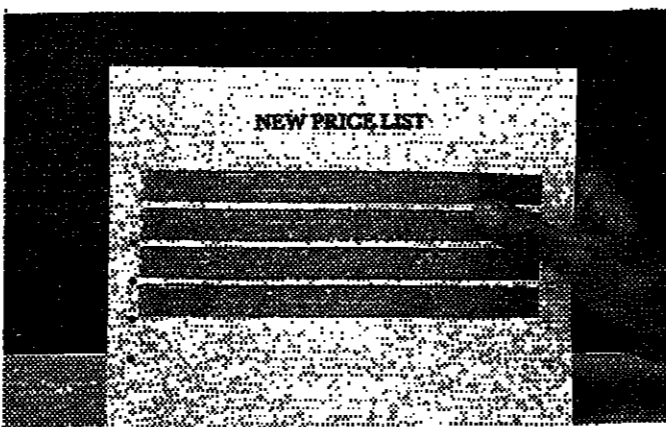
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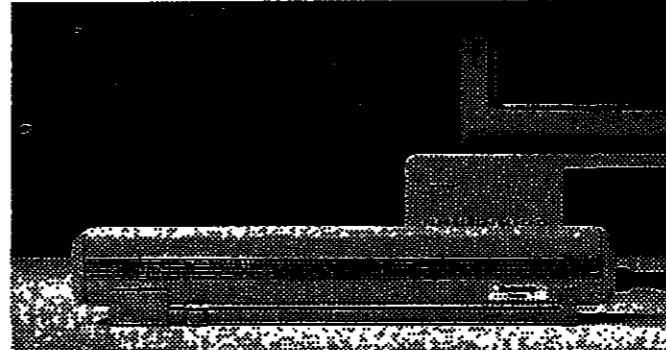
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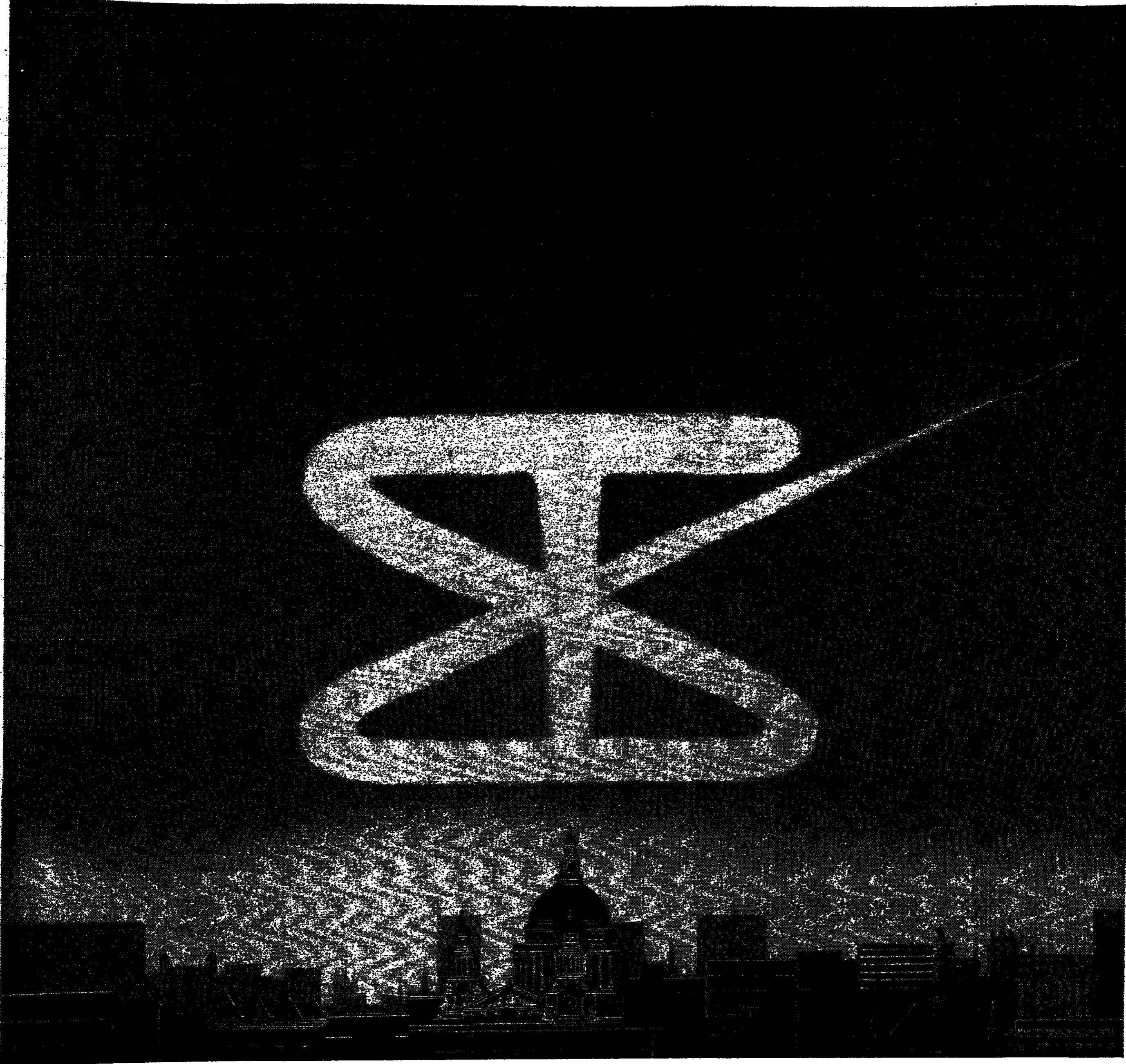
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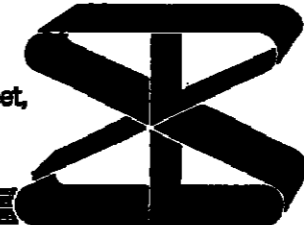
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6 MANAGEMENT

How Virgin shaped up for a new era

Raymond Snoddy reports on the flamboyant UK entertainments group

DON CRUCKSHANK, former managing director for finance and administration at UK publishing group, Pearson Longman, will never forget his first board meeting at the Virgin Group, the music and leisure company founded by the entrepreneur Richard Branson.

First there was a swim in the pool of Branson's 19th century mansion outside Oxford, then a session of discussions, followed by a game of tennis. The meeting continued throughout the day interspersed with swimming and further games of tennis.

"Formal it might not have been but as a way of getting people to concentrate in a creative manner for long periods of time it was excellent," says Cruckshank, who has been managing director of Virgin for more than two years, and at 44 is the doyen of the Virgin management team.

Board meetings at Virgin have become a bit more formal since then in the run-up to the flotation, details of which will be announced today.

There are now proper board papers for consideration, a formal agenda and detailed minutes are kept.

"We are fully aware that there are certain things that have to be done and be seen to be done but within that we would not wish to be too regimented," says Trevor Abbott, the Virgin finance director.

There is still no boardroom or even a board table. Multi-million pound decisions are taken sitting round on settees at meetings in either of Branson's two homes or at the spiritual heart of the Virgin empire—his office on a houseboat on the Grand Union Canal in London.

The injection of a minimum degree of formality together with the very existence of Abbott and Cruckshank, two men in newly created positions and from outside the otherwise self-grown Virgin management team, are indications of how rapidly Virgin has changed over the past two years as the company has grown in size.

Between 1983 and 1984 turnover nearly doubled from £48.6m to £94m as Virgin set up its own companies overseas rather than relying on licensing agreements.

Without benefit of management consultants or MRAs

Branson found that his entrepreneur instinct alerted him to the need for outside expertise and some changes to the company structure if such rates of growth were to be sustained.

For Cruckshank and Abbott, the challenge has been to "tidy up" the company structure and rationalise the financial controls without curbing the creative flair on which the whole enterprise depended.

"When I joined what we had in place was the management structure of a small to medium company," says Don Cruckshank. Financial responsibility lay at the centre and Branson was involved in almost everything. "It was really getting to the point where it was creaking and it was difficult to establish control," Cruckshank adds.

The central office staff has now been reduced to about 35—a third of what it used to be—and is now "an office of the chairman" almost in the American sense.

The company has been structured into three core businesses—Music, Retail and Vision and central functions have been devolved to the divisions. Each has its own finance director and Music and Vision their own directors of business and legal affairs.

With the flotation in mind activities which might be seen as risky by the City such as Virgin Atlantic Airways have been sold to Voyager Group, a private company set up by Branson, together with Virgin's other travel interests and night clubs.

Branson, who holds 85 per cent of the equity of Virgin, has clearly been thinking about seeking a Stock Exchange listing for some years but has always held back until now.

"One of the reasons I have resisted going public over the years is because I thought we would have sold ourselves short," says Branson. The company, he believes, is now big enough.

Clearly one of the longer-term reasons for seeking a quotation is to grow through acquisition, although none is planned at the moment.

The long-term aim, he says, is to make Virgin "the greatest entertainment business in the world."

Such grandiose claims—Branson is not known for understatement—and the

"mythology" of the rise of Virgin from a business founded in a telephone kiosk to a major player in the entertainment industry, has, however, tended to obscure more mundane virtues.

Behind the flamboyant stories and the broad Branson grin looking out from 100 newspapers are some very down-to-earth numbers. Virgin now employs more than 1,600 people and operates in 17 countries. In the year ending July 31 it had pre-tax profits of £19.1m on its continuing activities on a turnover of £188.6m with more than half the turnover earned outside Britain.

Peter Hillier, senior leisure analyst at analysts, County Securities, finds Virgin managers disarmingly straightforward in areas notorious for hype, such as the record industry.

"I find them delightfully unconventional but their approach to business is totally serious. They understand the businesses they are in backwards," says Hillier.

They are a collection of managers, all like Branson, in their 30s, some of whom have been there from the beginning and most, unlike their chairman, with university degrees.

They work from more than a dozen buildings in the Ladbrooke Grove area of west London, far from the conventional centres of corporate power and do very conventional things like working hard. The management style in Virgin "is informal without being casual," says Johnny Fewings, the 31-year-old managing director of Virgin Retail, who started with the group as a shop assistant in the Virgin record store in London's Marble Arch after getting an economics degree at the University of Keele.

The music division, run by Simon Draper and Ken Berry, is by far the most important in the group with a profit in the year to July of £20.1m on a turnover of £118m.

The roster of more than 100 artists ranges from Mike Oldfield and Pete Townsend to Culture Club, Genesis and the Human League. Simon Draper, a distant cousin of Richard Branson, has been with Virgin almost from the beginning. He has in turn sold records and been an A & R man—artist



Richard Branson on his houseboat, the "spiritual heart" of his empire. Right (from top) Don Cruckshank and Trevor Abbott, managing and finance directors, and Simon Draper, chairman of the music division, the largest



Right (from top) Don Cruckshank and Trevor Abbott, managing and finance directors, and Simon Draper, chairman of the music division, the largest

and repertoire, the key people who seek new talent and handle them on a day-to-day basis—before going into management.

"Virgin is still very much an A & R company," says Draper, who is now 36 and chairman of Virgin's music activity. Draper and his managing director, Berry, who have worked together since 1978, are in the middle of the company's biggest ever push into the US market through the creation of Virgin Records America. US executives have been hired to run the company; the first artists have been signed and the first records are due out in January.

If it works it will give greater US exposure to Virgin's UK bands and it will be able to exploit US artists through Virgin companies in the rest of the world.

An executive of another record company emphasised that Virgin is a good company but warns: "I think it will take them a while and cost them a lot of money to establish a decent presence in the US market and there is no guarantee of success. They tried in 1979 and left with their tail between their legs."

The executive adds that to his eye the Virgin roster of

artists seems very large, and therefore costly to maintain. Virgin Retail, the second largest arm of the group and the original seed of the business, has in recent years not been producing an adequate return on capital.

Conran Associates were called in for a redesign and refurbishment programme and £9.5m has been spent on the new image and on opening new outlets in the past 18 months.

Sales, Virgin believes, have increased by 50 per cent in the redesigned stores and further growth is expected from the megastores where a wide range of products for young people, such as T-shirts, posters, games and books as well as music is being sold.

All Virgin's video and television interests are run by Robert Devereux, a 31-year-old Cambridge graduate who worked for Macmillan, the publishers, before joining Virgin five years ago. The heart of the business is the acquisition of video, film and television rights. Recent acquisitions include 200 titles from MGM/United Artists for the Far East market and the Hal Roach library of Laurel and Hardy films.

But Virgin has decided to pull

out of making its own films after making losses although it will provide the sort of completion guarantees to other producers often necessary to secure video rights.

The company sees Vision, which profits last year of £1.5m on a turnover of £16m, as a significant growth area against the background of deregulation of European television and the advent of satellite broadcasting.

Virgin is a founder member of one of the five consortia which have applied for the British direct broadcasting by satellite (DBS) franchise, a multi-million pound project to provide three new channels of television for the UK. Branson says he will limit Virgin's exposure to £200m spread over a number of years.

On the brink of the flotation, designed to raise between £80m-£70m from between 25 per cent to 30 per cent of the shares, Branson has a clear idea of what he wants to achieve: to make Virgin a £1bn company within five years.

"For once Richard may be being too conservative," comments Cruckshank, without a trace of irony in his voice. "As long as there are also the profits to match," he adds.

In search of the Superteam ideal

ASHERIDGE Teamworking Services is a specialist unit within the UK's Ashridge Management College which helps to develop successful teams inside companies and public sector organisations. Its director and two of its consultants have written a book about successful teams, which they call Superteams. Disconcertingly, they say they have never met one.

"The reason for this is that the Superteam concept is an ideal, a target, something to be striven for," they say. "What we have done is to piece together all the evidence that we can find, from our own and other people's work, in order to put together a comprehensive picture of what it is that makes some teams outstanding in comparison with others."

The consultants say that most teams grossly under-perform. Those that do better do not do so through good luck. The writers believe Superteams can be made, if those who set them up and those who belong to them know how to go about it. It is the sort of subject which lends itself to mere exhortation. Fortunately, this is resolutely a "how to" book, with handy summaries at the end of each Superteam strategy.

Everyone agrees that teamwork is a good idea, but many managers lose their nerve when a team they have set up begins to work without them. Managers who want to see Superteams operating in their companies are warned that "they will become very authoritative, and will know more than you."

If a successful team is not to raise hackles high up in the company it needs to be well connected. All teams need a sponsor, the book says. A sponsor is not a member of the team, but rather a "godfather, mentor, fixer, smoother, promoter and resource provider."

Having found a sponsor, Superteams establish a wide range of helpful connections, both inside and outside the company. They make a list of people who might be adversely affected by what the team does and delegate a team member to reassure them.

Superteams establish with the company what their criteria of success will be. "Organisations get nervous about not being able to 'see' progress in a tangible form. Especially at an early stage in the team's task, visible movement may be obscured by a high 'noise' level as the team disentangles the problem it has been given." The team's brief should be clearly established and updated. Two team members should attend such clarifying meetings with superiors so that they can compare notes.

Goals and deadlines for team members need to be set at the end of meetings. Between meetings teams need to keep in touch too. The book advises teams getting together for social events and calls for a reasonable amount of informal chat during meetings, what the writers call "silly time."

Successful teams that travel a lot or are based at different offices or plants get other ways to keep in touch. One sales and marketing team invested in telephone answering machines both at home and in their offices. That way they could pick up messages as team progress.

That successful teams often require a drastic change in corporate culture is clear from a group of case studies at the end of the book. A large engineering group which decided to move from production line principles to team-working was hampered by ingrained supervisory habits. In a research and development organisation in the motor industry, team leaders, along with team members, could not move from their established pattern of analysing problems to acting on them.

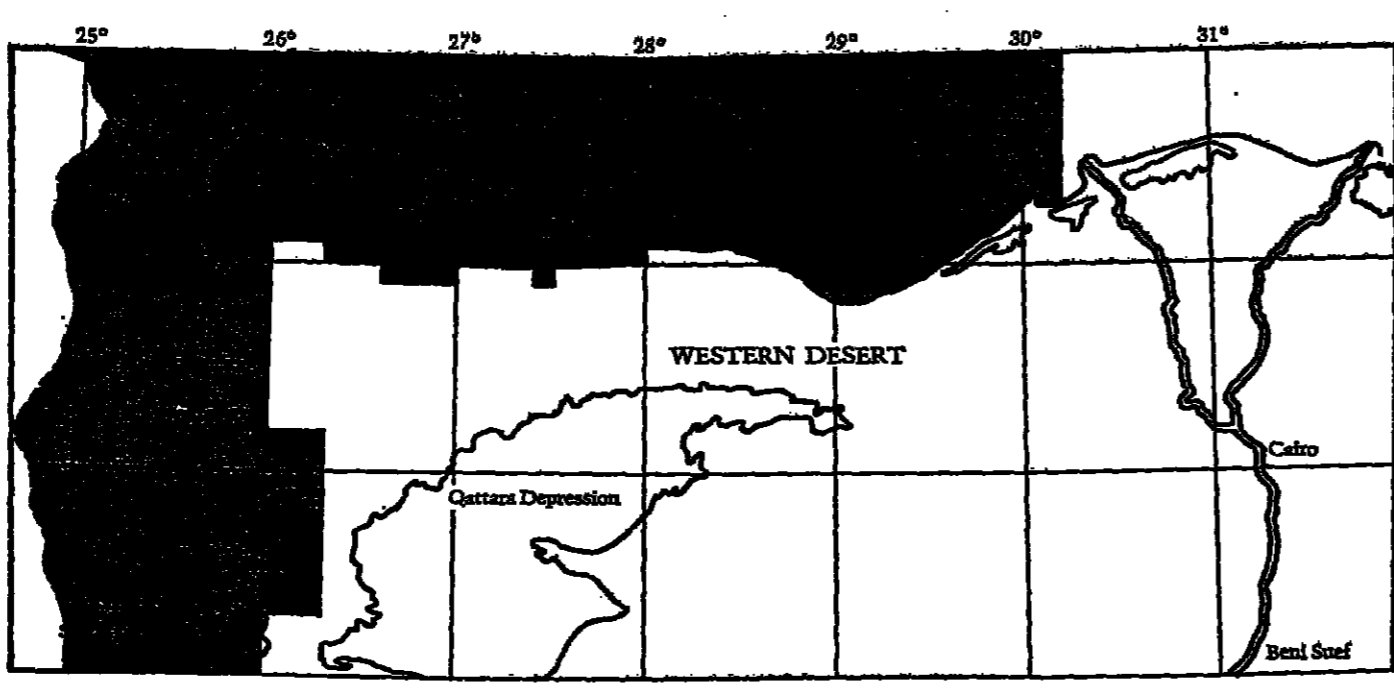
In most cases the solution seemed to be a week in the country, at least to start with. Consultants could then begin getting the teams to talk about how they would work. Setting up new lines of responsibility and authority with senior management was a part of the process too. "The notion of decentralised teams managing their own destinies required as much change in senior management attitudes as in team leaders' attitudes," the book says.

Superteams by Colin Hastings, Peter Bixby and Rami Chaudhry-Lambert. Published by Fontana/Collins. £3.95 paperback.

Michael Skapinker

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Egyptian General Petroleum Corporation (EGPC) invites oil companies or bonafide bidding groups to apply for designated blocks in northwest Egypt. Recent discoveries in the Egyptian Western Desert make both the offshore and onshore areas potentially prospective.

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- Presentation of the technical and legal aspects will take place at the EGPC Eighth Exploration Conference held in El Salam Hyatt Hotel, Cairo (November 17-23, 1986).

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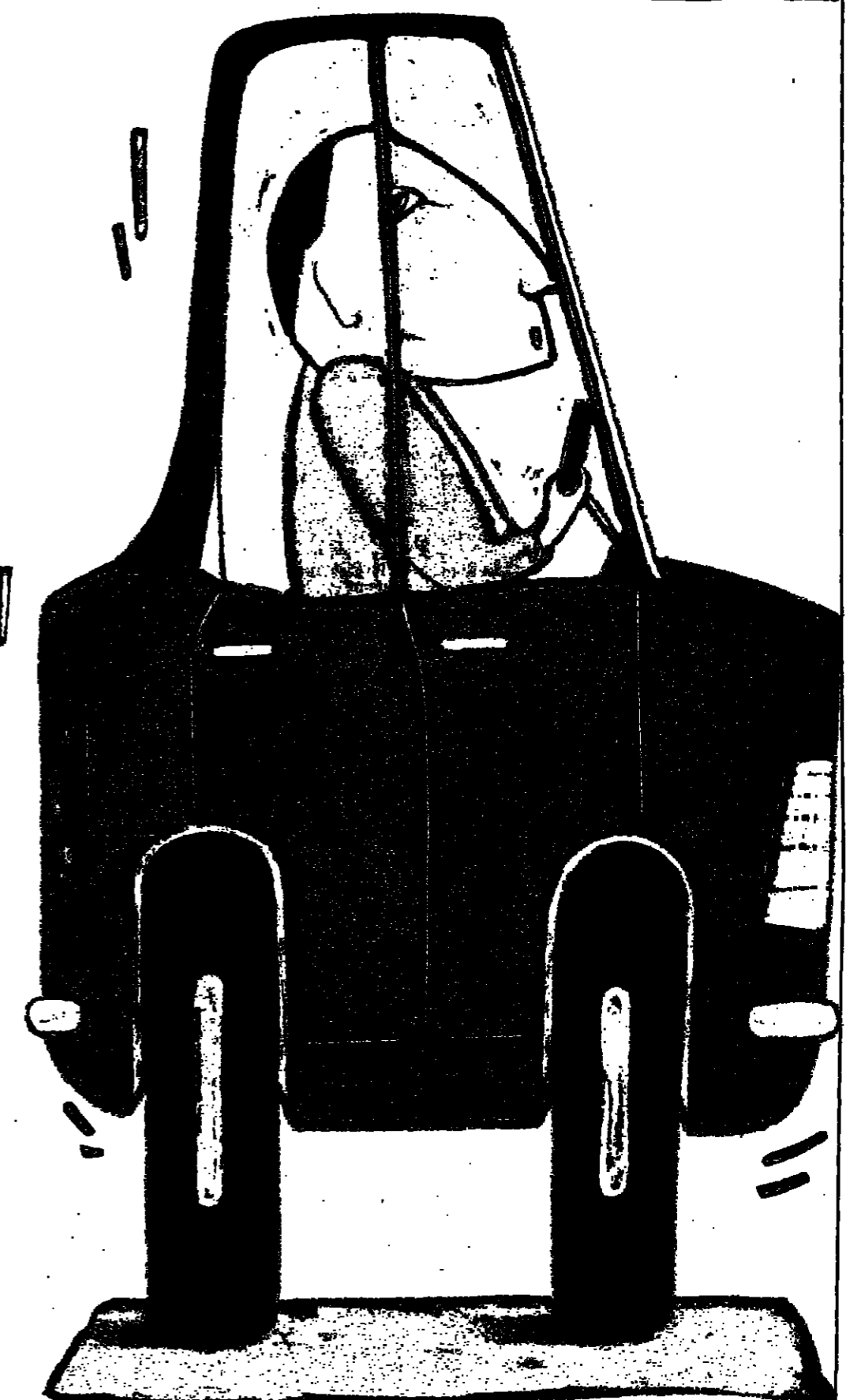
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TECHNOLOGY: Computing

BY ALAN CANE

Expert systems are now finding practical applications in industry and commerce

Putting smart computers in the superstore

EXPERT systems are already more than simply an exciting laboratory novelty. Major companies and government departments are investing substantial sums to develop demonstrator projects and the first practical systems to come on the market look as if they will save their users the predicted amounts of time and money.

The data communications management system developed by Case described on this page, for example, can be shown to cut the time for network reconfiguration from weeks to minutes.

UK government departments have been sufficiently impressed by the potential of expert systems to put up large sums of money for the development of systems to help commercial training. Like the Datasolve/Manpower Services Commission system described here, or commercial practice—the Langton/South Bank Polytechnic/Department of Trade and Industry "Exmar" system.

Expert systems are the first fruits of many years research into artificial or machine intelligence. The basic concept is that computer software can be

written which can sift the professional opinions of experts in a given field and offer "reasoned" answers to questions put to the system.

Expert systems not only provide these answers, they explain the logical steps taken in coming to a particular conclusion. Their commercial value lies in the fact that they can be used by experts as a time and cost cutting "second opinion" or by the less expert as a robot adviser.

The Manpower Services Commission has been committed for a long time to the development of technological aids for training; its chairman Mr Bryan Nicholson recently announced that £3.2m would be spent on developing artificial intelligence projects.

On the face of things, its project in conjunction with Datasolve, a subsidiary of Thorn EMI, is mundane—a computerised stock ordering system for B and Q (Retail), the largest do-it-yourself retail chain in the UK.

All the elements of an important expert system application are there, however. The aim is to help managers of B&Q's 80-plus UK DIY Supercentres to improve decision making when reordering stock. It will also automatically provide training if a manager consistently demonstrates poor judgment in decision making.

Stock control, is of course, critical to profitability in any retail operation, and the stocking requirements of B&Q's branches vary markedly with location and with the time of year.

Mr Don Yeates, Datasolve's director of training, said the project would use an expert system "shell" to develop the final product. A shell is a empty expert system into which the user can pour information and decision-making rules without the need to create the system from scratch.

The likely choice for the B&Q project would be the X shell built by Expertech. It will

be run on IBM PC/AT personal computers or their equivalents. The overall cost of the project would be £250,000 split between the MSC and B&Q.

A draft system specification had already been drawn up and the product was due to be ready in the first quarter of 1988. Such a long development timescale indicates that the system will be a substantial piece of work.

The MSC is anxious that the finished system should be generally applicable and will be trying to persuade other organisations to experiment with computer based training. The first versions will, of course, be B&Q's by right: "In our sort of business we need an edge to stay in the forefront," Mr Glenn Ashness of B&Q said. "This is one example of how technology is helping B&Q to keep ahead of its competitors."

"It allows even a non-expert manager to manipulate variables, arrive at a decision and understand why he has done so."

Info centres 'here to stay'

THE "information centre" (IC), a focal point for personal computing in major companies first gained general recognition in the mid-1970s. There have been since then doubts about its purpose and efficacy.

The concept was fostered by IBM which saw significant opportunities for selling companies both new hardware and software while helping to solve the most intractable of all data processing problems—the ever increasing backlog of unwritten applications programs. Now a new report from the Xephon consultancy in the UK endorses the view that the IC is here to stay, while arguing that its role is changing subtly but surely.

The author of the report, Mr Mark Lillycrop, a senior consultant at Xephon, argues that instead of providing consultancy and support services, many ICs are becoming embroiled in a continuous chain of basic product training sessions. "Some ICs have reluctantly been obliged to take over application development tasks that are simply beyond the capabilities of end users," he says.

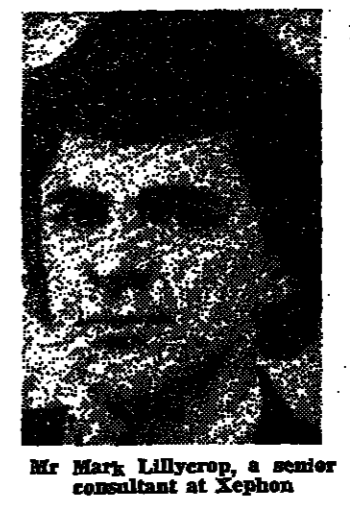
The IC developed at a stage of corporate data processing when the backlog of applications waiting for the central data processing department to cope had reached breaking point; two years and more were not unusual for anything other than the simplest applications.

At the same time, personal computers and personal computer software were becoming available at reasonable prices, and many end-users (executives in large firms) were asking why they should not develop their own applications programs.

Lack of experience in computing was as good a reason as any. A fear that their amateur efforts would disturb, possibly corrupt, precious corporate data ensured that the data processing manager had no great enthusiasm for the idea.

The IC was seen as the answer—separate from the central data processing system, complete with its own mid-range computer and staffed with professionals to help end-users develop their own personal computer programs.

The results of Mr Lillycrop's survey of some 46 IBM-based sites earlier this year suggest



Mr Mark Lillycrop, a senior consultant at Xephon

Lack of specialists

A LACK of well qualified computer specialists coupled with intense concern in many companies about the need to create an information technology strategy has pushed the charge-out rate for top technology consultants over £800 a day for the first time.

The 1986 edition of the annual survey of manpower pricing in software services published by Michael Longy Associates shows that systems houses and consultancies are now charging between £300 and £800 a day for senior consultants. The top rate would only be earned by managing consultants or principal consultants.

"All the evidence is that these senior people now have to go out and earn their fees rather than supervising the work of others," Mr Longy says, commenting on the apparent dearth of high quality consultants.

He notes: "As the total UK market for professional services is growing at over 20 per cent a year, it can be seen that the majority of that growth is coming from increased volumes of work and from the ability to charge more for senior and middle grade staff rather than from adjustments to the complete tariff structure."

Equipment manufacturer's rates remained static, according to the report, while systems and software houses have tended to increase prices to match inflation or to match annual salary rises (generally around 3-12 per cent at present).

Mr Longy warned that some kinds of software vendors, especially those selling fourth-generation languages (4GLs)—computer programs which make it simpler to write other computer programs—were starting to sell a total package of software plus consultancy.

This development was chiefly to be seen from the larger, US-based companies and it represented a serious threat to the UK's major software consultancies.

The report is available from Michael Longy Associates on 08326 62995 at £250.

Changing data networks

A UK-designed and manufactured product stole the show at the US Telecommunications Association Annual Conference in San Diego, California, two months ago.

The company behind this unlikely event was Computer and Systems Engineering (Case) of Watford, north of London, a significant player in the European communications market now struggling back to profitability after errors which resulted in a \$26m dollar loss in the US last year.

The product, an expert system which makes it simple for its customers to reconfigure their datacommunications networks, is unlikely to reverse Case's fortunes by itself, but communications specialists agree it seems to be a step ahead of the rest of the field at present.

Mr Neil Barton, electronic analyst with Robert Fleming Securities in London, says he knows of no similar product already on the market although several of Case's competitors are known to be working along similar lines.

The Case expert system will be shown for the first time in the UK at the Compec '86 computer exhibition in London later this month and will be available early in the new year.

In the US the product, called Nconf for Network configura-

tion, has been launched as part of a network management system, at a price of \$150,000.

It is designed to solve the problem experienced by every operator of large data communications networks of how best to handle the regular and inevitable changes in the physical and logical structure of the network.

Case's principal product is the DCX range, a family of communications processors (computers which manage and control telecommunications lines) which form the control points (nodes) in the network.

According to Case: "A survey of DCX users has revealed that users with between one and three nodes need to reconfigure their network up to 10 times a year, while those with more than 20 nodes go through 140 configurations in a year."

"Most of these customers use their own staff for reconfiguration work. In the case of larger networks, the cost can amount to as much as 210 man days or some £20,000 a year. The survey also revealed that manual configuration changes were made with a high proportion of errors."

The largest user of Case networking products is Citibank which has 200 nodes to which are connected 31,000 terminals or computers. Every time it reconfigures its network it has

to bring up to date some 25,000 pages of networking documentation. So far, Citibank has not opted for Nconf although four unnamed customers in the US are already testing the system.

The largest possible DCX configuration is 256 nodes with 40,000 terminals or computers attached.

Case itself operates a data network comprising 40 nodes. According to Mr Alex Galis, Case's technical strategist responsible for the Nconf expert system, it now carries out in five minutes reconfiguration work that used to take several weeks.

The system was written using an artificial intelligence language Ops 88, a general purpose language developed at Carnegie Mellon university in the US. It encompasses the networking experience of three principal experts together with intelligence culled from books and journals.

Once the system has been given the number of sites in a network, the distribution of the data links and the number of high and low speed channels, the Nconf system produces physical and logical configuration data for each node.

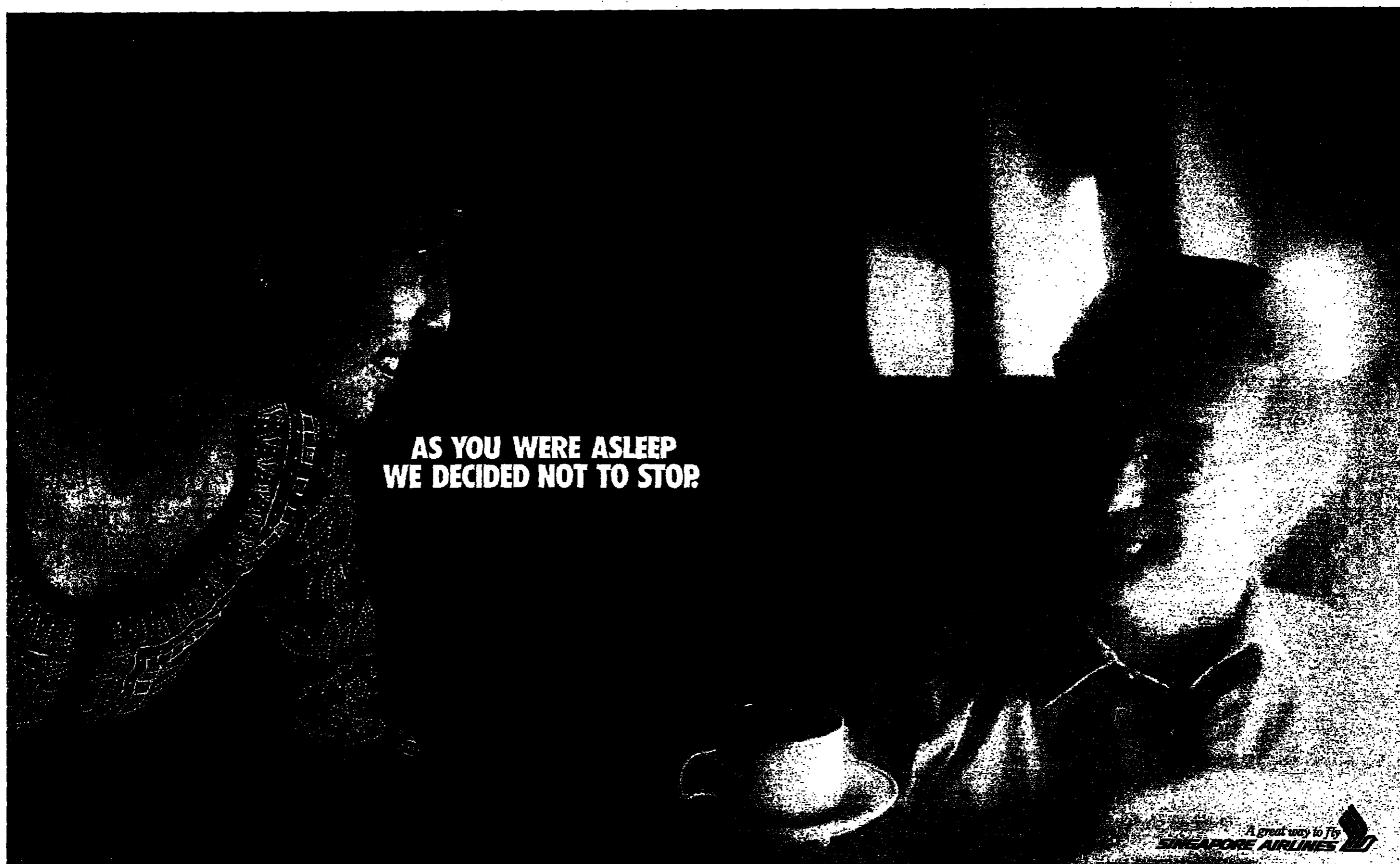
The information is delivered at present in the form of tables although Mr Galis says it is actively developing a graphical



Alex Galis (seated) and a member of his AI team talking to Duncan Fitzwilliams (centre), chairman of the CASE group

interface which will automatically generate a picture of the new configuration.

The package is designed to run on any Unix-based computer but is sufficiently flexible to run on MS/DOS based machines as well.



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Bids leap-frog in tussle for McCorquodale

BY DAVID GOODHART

A DRAMATIC tussle for control of the McCorquodale printing group remains in the balance after a fresh sequence of leap-frogging bids yesterday morning.

After late-night negotiations on Wednesday with Mr Robert Maxwell, who holds just under 20 per cent of McCorquodale, Norton Opax, the Harrogate-based printer, yesterday made its final increased offer, valuing McCorquodale at £167.5m (in shares) or £158m (in cash).

Little more than one hour after the increased offer was announced, however, the McCorquodale management buy-out team led by Mr John Holleran, the chief executive, raised its own cash-only offer from 300p a share to 310p, raising the total value of the bid from £158m to £161m.

The outcome of the bid will now hang on the attitude of McCorquodale's institutional investors to Norton Opax's shares. If they believe they are likely to hold their value after a bid, they may prefer them to the buy-out team's cash - although there is a loan note alternative for supporters of the management facing liabilities from a cash acceptance.

Norton Opax, which owns 14.9 per cent of McCorquodale, claimed control of 51 per cent of the rival printing group. However, that does not take account of 8 per cent (out of a total of 16 per cent) acceptances which asked to withdraw after the first management buy-out offer on Monday.

It does, however, include a further 8.5 per cent of Mr Maxwell's stake. Having already committed 10.8 per cent to Norton, he has now irrevocably pledged his full 19.3 per cent to the share offer. It may, however, be a mixed blessing. One major institutional investor said last night that it would not want Norton shares with a large minority stake

held by Mr Maxwell. Mr Maxwell would hold 16 per cent of the combined group if Norton succeeded.

Norton is funding its increased offer through the issue of a further 5m shares, taking the total of new shares to 108m. This would be 71 per cent of the new group. It is also borrowing £15m, which will take its gearing to over 80 per cent.

Mr Richard Hamwell, the Norton chief executive, said he remained absolutely determined to win control and had increased the offer after a view of detailed information about McCorquodale. The company had been forced to release this to him after the buy-out bid in order to ensure parity of information.

He rejected the argument that many of the 30 top McCorquodale managers would find it difficult to work with Norton because of their financial commitment to the buy-out. He also said that as, under the buy-out terms, the managers were set to receive about £7.5m of equity for their £1m cash injections, they were "getting their own interests above shareholders".

The buy-out is being backed by Standard Chartered Bank and the Prudential Insurance Corporation of America, which are both providing £78.5m of debt, and the Electra Cavender Direct Investment Plan, especially designed for management buy-outs. This is providing £33m equity on top of the management's £1m.

Norton has increased its share offer from two Norton for one McCorquodale to seven Norton for three McCorquodale - which last night valued each McCorquodale share at 225p - and its cash alternative from 290p to 300p, just pipping the first buy-out offer of 300p.

McCorquodale shares closed last night at 305p, up 15p on the day.

Plan to reduce working hours

ENGINEERING employers and union leaders yesterday unveiled radical proposals which could reduce the working week in factories in exchange for increased worker flexibility and the erosion of traditional union demarcation lines on the shopfloor, Helen Hague writes.

The proposals arise from nearly three years of protracted negotiations between the Engineering Employers Federation and the Confederation of Shipbuilding and Engineering Unions, through a joint working party.

The EEF, which represents 5,000 companies, is prepared to phase in a reduction of the working week from 39 hours to 37½ hours as a trade-off for wide-reaching changes in working practices.

Principal changes outlined in the report include:

- Union agreement to eliminate demarcations and other restrictive practices.
- Variation in hours to cope with fluctuations in demand.
- Changes in procedures for recognition and collective bargaining.
- Local-level discussions on the reduction of non-productive working time.

Yesterday, the CSEU executive endorsed the report on the progress of negotiations. The proposals will now be considered by the ruling bodies of individual unions party to the prospective agreement.

If implemented, the proposals would be likely to prompt a further round of hours reductions in manufacturing industry, at a time when the Confederation of British Industry believes the momentum for further cuts in the working week has slowed.

The working week in engineering factories was reduced from 40 hours to 39 hours in 1981, following a bitter national dispute two years earlier.

Despite the decision to refer the proposals to individual union executives, obstacles to concluding an agreement remain.

A number of unions represented on the CSEU have reservations on the scope of the mooted deal and, in particular, are concerned about the implications of changes to recognition and procedure agreements at plant level.

Mr Bill Jordan, president of the Amalgamated Engineering Union, the largest in the CSEU, said he believed up to 100,000 jobs could be created if a deal was reached on the shorter working week.

Mr James McFarlane, director general of the EEF, said he was "reasonably hopeful" that the proposals would lead to a national agreement, representing a "turning point" for the industry.

□ SIR NEIL SUTHERLAND, former chairman of Marconi, the electronics company, has died at the age of 88. He joined Marconi as general manager in 1948 and, convinced that radar had an important peacetime role, developed the products and commercial organisation to exploit new markets. The company subsequently sold civil and military radar systems to over 50 countries.

Sir Neil became managing director of Marconi in 1958 and, in addition, deputy chairman four years later. He was chairman from 1965 until his retirement in 1969, the year in which he was knighted.

□ NATIONAL Union of Mineworkers is drastically reducing its investment in a new headquarters in Sheffield in an attempt to stave off the most serious financial crisis since its inception. The decision comes against the background of a growing cash crisis provoked by the pressure on union funds during the 1984-85 miners' strike. Union finances have also been damaged by the establishment of the breakaway Union of Democratic Mineworkers.

□ UNION leaders representing 16,000 merchant seamen are recommending acceptance of a new £3-week pay rise offered by the General Council of British Shipping, which said it was a "final offer" and represented a 3.4 per cent increase in average earnings. NUS members will now be balloted on the deal - a process likely to take several weeks.

□ GOVERNMENT announced an increase in visa fees of up to 100 per cent. This follows the controversy over the introduction of visa requirements for visitors from five Asian and African countries. A single-entry visa goes up from £12 to £20, a multiple-entry visa goes up from £24 to £40 and a settlement and other long-term entry clearance from £25 to £50.

□ LEADING members of the Confederation of British Industry have been giving themselves pay rises 2½ times greater than the increases won by their workers, according to a survey published by the Labour Research Department, a trade union funded research organisation.

□ NATIONAL Union of Railwaymen officials are due to meet today, under pressure from their members, to consider intensifying the current industrial action against Sealink UK in support of 41 crewmen who have been made redundant.

Michael Donne examines helicopter records after yesterday's North Sea crash

Flight safety under scrutiny

YESTERDAY'S ACCIDENT to a British International Chinook twin-engine helicopter in the North Sea is likely to prove to be Britain's worst-ever helicopter disaster.

It is bound to revive calls for tougher safety measures in all forms of helicopter operations, especially those in the notoriously vicious weather of the North Sea.

Mr John Moore, Transport Secretary, yesterday promised a thorough inquiry into the cause of the crash. He told MPs in the House of Commons: "Resources will not impede the proper investigation of this accident."

The aircraft was on charter to Shell and crashed into the sea two miles east of Sumburgh in the Shetland Islands. Of the 47 passengers and crew on board, only two are thought to have survived.

British International Helicopters is the name given to the former British Airways Helicopters. It was sold by that airline to a new company set up jointly by Mr Robert Maxwell and the Scottish Daily Record group earlier this year.

The previous worst accident involving a UK helicopter was that in 1983 involving a British Airways Sikorsky S-61 near the Sully Isles, in which 19 passengers and one crew member were killed.

Apart from that, the fatality rate involving helicopters in public transport duties has been less severe than many believe.

Civil Aviation Authority (CAA) figures show there were no fatal accidents to UK-registered public transport helicopters in either 1984 or 1985. There was one crash in 1982 involving six deaths and two fatal crashes involving 14 passengers and crew in 1981, and they were the first since 1976.

But in 1984 a British Airways Chinook was forced to ditch in the North Sea. All passengers and crew escaped, with no loss of life, and the Chinook was subsequently repaired, repaired and sold by British Airways.

Yesterday's accident was the first in which passengers were killed in a Chinook on commercial service.

The Chinook commercial helicopter was developed several years ago (with the first entering service in 1981) from the highly successful military Chinook built by Boeing Vertol of Philadelphia, of which over 900 military aircraft are in service with the US and other armed forces.

Only 12 commercial Chinooks have been built, however, its design has not found a wide market, despite its size and carrying capacity of up to about 50 passengers and crew.

Although limited in number, the past helicopter accidents, caused considerable concern and led to a significant tightening of the safety rules for helicopters operating public transport services over the North Sea. This was in view of the severe weather in that area, especially in winter, and the long distances that helicopters have to fly to remote rigs and platforms.

For example, in the year to last March 31, the CAA introduced many new requirements for helicopters used in offshore operations, chiefly to improve ditching procedures and to enhance the chances of survival following ditching.

These have included the modification of window and door latches to improve escape from a capsized helicopter and better exit lighting that would operate under water.

More life rafts were also ordered to be fitted, and these have to be fully reversible and less vulnerable to puncturing.

This is required because some of the external fittings and structure of helicopters used in the North Sea, including Chinooks, could puncture a life raft. These fittings have had to be removed. This major programme was largely completed by the year-end and in the CAA's words "reflected excellent co-operation by the helicopter operators and the equipment suppliers concerned."

It is understood that the Chinook involved in yesterday's crash fully complied with these requirements.

The CAA's programme to improve helicopter safety has not ended there, however. Efforts to achieve even higher standards, especially for North Sea operations, have included setting new rules for safety equipment and a revision of operators' emergency procedures.

The CAA also now requires such things as radio altimeters with voice warning signals, the automatic deployment of distress beacons and improved life jackets for passengers and crew.

Studies into a variety of different aspects of helicopter safety are continuing.

Wico loses 26 staff in day of defection

By Clive Wolman

TWENTY-SIX directors, analysts and senior salesmen yesterday handed in their resignations to W.I. Carr (Overseas) Holdings (known as Wico), a subsidiary of Exco International, in the City of London's biggest defection of stockbroking staff. The Exco share price fell from 242p to 220p when the news leaked out although it partly recovered to 230p at the end of the day.

Mr Richard Davey, an Exco director, last night accused the three directors of Wico who are leaving of breaching their contracts and fiduciary duties by organising the mass defection. "There has been a cabal of some kind which has carried out detailed negotiations to move elsewhere," he said. The directors and most of their colleagues, who have been working in Wico's offices in London, Tokyo and Hong Kong, will be joining Swiss Bank Corporation International.

Earlier this year Wico, which was acquired by Exco in 1982, was confronted by demands for improved pay and conditions from several of its senior staff, including those who have just resigned. In response, Exco introduced an unusual share option scheme specifically for Wico staff. Its generous terms were criticised by Exco shareholders at its annual meeting in June. However, the scheme has proved inadequate to appease many Wico employees. Three weeks ago, its entire team of seven traders in Japanese convertible stocks resigned to join Barclays de Zoete Wedd.

Mr Davey said: "It is bad news, but Wico has over 400 staff and will emerge in a slightly different shape." The initial 10 per cent fall in the Exco share price was overdue, he added, as Wico contributes only 5 per cent of Exco's pre-tax profits.

Shareholders 'now 17% of adult population'

BY CLIVE WOLMAN

ABOUT 17 per cent of the adult population, 7m people, are now shareholders, more than three times the proportion three years ago, according to a survey published yesterday by Dewe Rogerson, the public relations company that advised the TSB Group on its share flotation.

The survey, conducted on October 27 and 28 in the immediate aftermath of the TSB flotation, also suggests that shareholders are becoming younger and more evenly spread by social class. The proportion of shareholders under 45 has risen from 33 per cent in 1983 to 47 per cent while the proportion in socio-economic classes C2, D and E has risen from 17 per cent in 1983 to 35 per cent.

The survey thus supports the Government's claim that it is succeeding in its aim of creating a shareholder democracy. The main evidence suggesting an upsurge in individual shareholding since the British Telecom flotation in 1984 is:

- A National Opinion Polls survey, commissioned by the Government, of 7,200 people in February suggested that 14 per cent of adults owned shares.
- A British Market Research Bureau survey, commissioned by the

London Stock Exchange, which suggested a 18 per cent ownership.

- Statistics on financial flows, collected by the Central Statistical Office, which have pointed to a sharp increase since December 1984.
- There is however contradictory evidence:
 - Two surveys conducted last June and in February by Market and Research Opinion International (MORI) suggested only 8.3 per cent ownership while another survey of Financial Research Services suggested 8.5 per cent ownership.
 - An analysis of stock exchange share transactions in June and July

showed that individual investors accounted for only 18.6 per cent of all transactions by value whereas in early 1983 the figure was 28.4 per cent.

The chief explanation for the discrepancies between the different surveys and statistics is that a large number of people do not think of themselves as shareholders unless their memories are jogged.

In addition, the Dewe Rogerson survey, of 933 people, was conducted on the day of Big Bang, the deregulation of the City of London, when the stock exchange received high media coverage.

Bellair in cash call to fund cosmetics venture

BY CLAY HARRIS

BELLAIR COSMETICS is seeking nearly £20m from its shareholders to fund a joint venture with Polly Peck International to distribute L'Oréal cosmetics and toiletries in Turkey.

The one-for-one rights issue is the second cash call since Bellair's shares were suspended in January 1984 after a sharp rise from 17p to 13p in only nine months.

The new venture is the first business link between Bellair and Polly Peck. Mr Asil Nadir, chairman and joint managing director of Polly Peck, is the brother-in-law of Mr Mehmet Tezcan, who controls Bellair through Liechtenstein-based Wassikon Establishment.

Wassikon, which is underwriting the rights issue, is to reduce its holding in Bellair from 72.5 per cent to 50.7 per cent. It has already arranged for the placing of 10m of the 22.5m 10p shares being offered at par, including 1m to Mr Charles Keep, Bellair chairman.

Bellair is to hold 75 per cent and

Polly Peck 25 per cent of Hourstone, which in turn will own 90 per cent of a new Turkish distribution company, Pevesti Kosmetik. The remaining 10 per cent will be held by the present L'Oréal distributor in Turkey, IE Kimya Evi.

The Turkish venture would involve investment of up to £3m in the first two years, Mr Keep said. He expected turnover to rise from £700,000 to £2.5m in the first year.

Bellair's trading loss had risen to £407,000 in the six months to April 30 from £378,000 in the comparable 1984-85 period, Mr Keep said.

The company has subsequently closed all of its UK manufacturing operations and extended its financial year by two months, to the end of December.

When trading was suspended nearly three years ago, the company had only 2.2m shares. It could be ready to apply for re-listing by the end of 1987, Mr Keep said last night.



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Department of Energy, Neighbourhood Energy Action, which provides insulation for the poor and the elderly.

We are also sponsoring a nationwide programme of Energy Efficiency Education seminars, organised by the Cranfield Institute of Technology, to help teachers and administrators use energy better.

And we continue to promote new thinking on energy matters by sponsoring the Royal Society Esso Energy Award.

The Meteorological Office won it this year for a global weather forecasting system that enables aircraft to make best use of prevailing winds - and hence fuel economies.

Although forecasting next year's winner is impossible, one thing is certain. On the energy efficiency front, Esso will continue to make further strides.



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3 Year Period Share	9.50%	at the basic	13.38%
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UK NEWS

Anthony Moreton reports on Scotland and Northern Ireland

Foreign investment helps cushion industrial decline

REGIONAL POLICY in Scotland has increased employment in its assisted areas by between 90,000 and 100,000 jobs in the period since 1980, according to the Government's Regional Development Programme, 1986-90, submitted to the EEC.



This has had a "significant impact" on the country's industrial growth and performance and helped to improve the performance of established industry and to attract investment.

In particular, the creation of the Leeds in Scotland bureau in 1981 had contributed towards the attraction of over £1bn of overseas investment to Scotland.

The need for such investment is highlighted by the fact that there are likely to be further job losses within the Government's development programme period, 1986-90, especially in steel and shipbuilding. There is, too, the possibility of losses in coal, and the report notes that recovery is only proceeding slowly in manufacturing industry.

The European Regional Development Fund has made a substantial contribution towards the improve-

ment of the infrastructure, having made grants totalling £375m in the past decade. Gaps remain, though. In particular, the development of new sites for industrial development will require the provision of local services, and, in some cases, improvements to the regional infrastructure networks.

Renewal of roads, water mains and sewers, now the best part of a century old, are considered a priority in urban areas.

The report says of Strathclyde, the main industrial part of Scot-

UNEMPLOYMENT	NORTHERN IRELAND		
	Men	Women	Total
Total	82,400	33,900	126,300
% (of all employees)	27.8	13.8	21.7
Aged under 25	34.7	46.3	37.3
Long term, over 1 year, %	33.8	32.1	33.9
over 3 year, %	27.5	11.3	23.2

land, containing Glasgow and the Clyde towns, that the locational advantages which were the area's strength a century ago have turned to its disadvantage.

Sea trade has shifted, the pattern of Britain's trade has been reorientated to the east as markets have moved from the Commonwealth to continental Europe and new manufacturing products are being made nearer their consumer markets.

The long decline of the structural industries - steel, shipbuilding, engineering - and even older ones, such as textiles and tobacco, have made the area extremely vulnerable. In the 1980s 42 per cent of employment was in manufacturing; now it is 23 per cent, less than the UK average of 26 per cent.

The east of the country, around Edinburgh, has fared better even although there have been severe job losses. About 37 per cent of the workforce remains in manufacturing.

Problems of unemployment are severe in some inner-Glasgow areas, as well as in suburban hous-

ing schemes, some industrial towns and coal areas. A fifth of the people under 25 are thought to be out of work.

remains a persistent and substantial over-supply of labour. The intractability of the situation can be seen from the statistic that about half the total of unemployed people last year had been out of a job for at least 12 months.

The medium-term outlook for the province is uncertain, especially as the rate of private investment is insufficient to generate the rapid growth needed in the economy. There have been some encouraging signs in growth of output, but this has failed to generate new employment in manufacturing.

In addition, the service sector is dominated by the public sector, and the climate of constraint seems likely to curtail further growth in employment in this area.

A high rate of increase in the population will put extra strain on the workforce as well as a decline in outward migration in the 1980s compared with the previous decade. In the absence of an increase in demand for labour there is every likelihood, the report states, that unemployment will increase.

Japanese search for bases

BY JAMES BUXTON, SCOTTISH CORRESPONDENT

JAPANESE COMPANIES are stepping up their search for overseas locations in which to establish manufacturing plants as a result of the recent sharp rise in the value of the yen, which has made manufacturing in Japan less competitive. This was stated yesterday by Mr Robin Durbin, chairman of the Scottish Development Agency (SDA).

Europe, the US and the newly industrialised countries to attract Japanese investment was "extremely strong." There is a small number of Japanese companies in Scotland including Mitsubishi and NEC.

Mr Mathewson, who had just returned from a visit to Japan, said he had been told by a leading Japanese banker that manufacturing had no long-term future in Japan.

Mr Durbin and Mr Mathewson were presenting the SDA's annual report for the year to March 31 1986. It showed that the agency had agreed 58 inward investment projects in 1985/86 worth £362m. Gov-

Auctioneers sell idle oil rig

FINANCIAL TIMES REPORTER

A 110-ft-high oil rig lying off the Scottish coast was sold at auction yesterday to a Norwegian banker for £15m.

The semi-submersible Glomar Arctic II was offered for sale by the Court of Session in Scotland to raise money owed to creditors of the rig owners after the slump in world oil prices.

The rig has been lying stricken, along with about 12 others, in the so-called "oil graveyard" of the Cromarty Firth in the north of Scotland.

because of the collapse in the market. But yesterday it was sold by auctioneers Phillips in Edinburgh for just a fifth of the cost to build it in Finland two years ago.

The rig was bought by Mr Per Ugeland, acting on behalf of its original trustees, the First City National Bank of Houston, Texas. They bought back the rig in order to begin paying off creditors and free it from the hands of the court.

Mr Ugeland, who made the only bid, said there were no plans yet for the rig's future, but experts believe that it will be sold to another oil company when the oil market picks

up. The rig, which has accommodation for 100 people and has a fully equipped hospital, is likely to remain in the north of Scotland for the foreseeable future.

Although the bankers have ended up with a sizable shortfall on the original £45m mortgage, one expert said: "This has been a good day for the bank. You won't see any of their staff lying about on the floor saying they are ruined."

One possibility being considered is that Glomar Arctic II could be used for exploration in the newer markets of India, Brazil and South-East Asia.

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BANK OF SCOTLAND
 A FRIEND FOR LIFE

Hatchback increases sales by Nissan

By John Griffin

NISSAN'S small Micra hatchback outsold the Austin/MG Montego and Maestro ranges and Ford's Orion to achieve seventh place in the UK new car best-seller list last month.

It was instrumental in lifting Nissan UK's market share sharply by 7.88 per cent for the month. In the third week of October Nissan on some days was achieving up to 12.5 per cent of recorded registrations.

The October performance brought Nissan's share for the year to date to 5.74 per cent.

It comes immediately ahead of internal discussions within the Japanese Automobile Manufacturers Association on how Japan's import quota to the UK should be divided up next year.

The Colt Car Company, part-owned by Mitsubishi, has claimed that Nissan UK cannot sell all the cars available to it in the UK and that there should be a 19 per cent cut in its quota.

Austin Rover slipped into third place behind General Motors' Vauxhall Opel subsidiary in the UK new car sales charts last month. Its share of 14.32 per cent compared with Vauxhall's 14.88 per cent - and both were well behind Ford's market-leading 26.15 per cent.

Despite the recent rise in interest rates, statistics from the Society of Motor Manufacturers and Traders show that sales are still on course for a record for the second year in succession.

Total registrations last month were 133,882, up 2.85 per cent on the 129,496 achieved in the same month last year. They brought the total for the first 10 months of the year to 1,574,965 - up 2.57 per cent on the 1,532,957 of the year-ago period. Last year sales went on to reach a record 1,532m.

The share of the market taken by imports last month fell sharply, to 24.51 per cent. This compares with 27.17 per cent in the same month of last year and reduces the share taken by imports in the current year to 26.41 per cent (26.4).

Among the importers which fared particularly well were Volvo, which achieved a record market share of 4.29 per cent and whose cumulative sales for the first 10 months of this year, at 52,398, have already exceeded the total for the whole of last year.

Once again Ford scored a hat-trick in the top 10 list of best-sellers in October, which were: 1. Ford Escort 19,951; 2. Ford Fiesta 9,976; 3. Ford Sierra 8,561; 4. Vauxhall Cavalier 7,693; 5. Austin/MG Metro 7,399; 6. Vauxhall Astra 6,402; 7. Nissan Micra 3,962; 8. Ford Orion 3,506; 9. Austin/MG Montego 3,459; 10. Austin/MG Maestro 3,228.

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John Griffin 1986

THE PROPERTY MARKET

US INVESTMENT

CNT takes bigger bite

BRADBURY DYER III had tax problems. The 44 years old Texas fund manager also had 80.7 per cent of the equity in Bay Financial Corporation. These shares, he felt, weighed too heavily on his portfolio. Sell them and he would solve two difficulties at once.

That was a year ago. What he did not know then was that a buyer with an open pocket ready to put them in was in fact a next door neighbour — the American arm of Country and New Town Properties in London.

Bay is a long-established US land company which in recent years has started developing in its own right. Country and New Town (CNT) has been quietly building up its US portfolio this decade to the extent that it now has \$100m worth of property all fully let, plus some holdings in Canada.

Both Bay and CNT have developments at Valley Forge in Pennsylvania. The two companies were on adjacent sites but hardly knew each other.

Now they live together. CNT is spending \$42.4m, borrowed especially for the purpose, to take 88.6 per cent of Bay. And tomorrow CNT shareholders will receive a letter about it, calling them to an extraordinary general meeting.

What happened was that Mr Dyer's New York advisers made contact with Debenham, Tewson and Chinnocks, the London

agents, and Debenham made contact with CNT. At that point Debenham had never before dealt with CNT.

Gerald Newton, the CNT chairman, looked at the Bay accounts and found the company was bundled up with assets, widely spread over the US. Some, it was true, were somewhat outside CNT's commercial and office habits of thinking — residential properties, a lease-making hotel and a vineyard.

But the accounts also showed that Bay was pulling back after a disastrous 1984-85 fiscal year when net income had slumped to \$568,000 from \$11m the year before. In the year to last May, net income had recovered to \$1.87m.

So at the beginning of August, Mr Newton met both Mr Dyer and Bay senior board members. The basic deal was set up then. Mr Dyer would provide his own stake, plus nearly 10 per cent more of the total Bay equity held by his associates. And CNT went into the market. Over the next six weeks it bought up 4.9 per cent of Bay's stock.

On September 19, Bay had a telephone board meeting. Two days later Mr Newton arrived and by September 29, it was all over.

On the market CNT had paid \$27.80 a share. For the Dyer stock it had paid \$36.50 a share, 90 cents more than CNT's own

accounting of the asset value of each share but \$8.70 less than the US accounting of the fair market value per share.

CNT, with the ample security of unmortgaged properties, took a three year loan to finance the deal but Mr Newton said this will be refinanced later. British and Commonwealth Shipping, which owns 22.55 per cent of CNT is happy about this.

As the Newton family holds about another 9 per cent of the CNT shares there should not be much trouble at the extraordinary general meeting.

Mr Newton himself, a low profile property chief, acknowledged that the Bay deal "is an enormous bite, but on the other hand we now have a firm base in the US." And this CNT, "Tower Hamlets and the City of London, with the publication of a masterplan devised by Leon Krier."

The development team, already pressing ahead with nearby Broadgate on the site of the old Broad Street station inside the City limits, has been considering Spitalfields for some time. But it waited for the publication of the Tower Hamlets planning brief for the area.

This is one of the oddities of the situation. The site itself is owned by the City of London, with part of the frontage owned by the Spitalfields Development Group, but the location is in Tower Hamlets. And the City has made it clear that planning permission needs to be obtained from Tower Hamlets before it can consider selling the site.

Spitalfields Development Group — the London and Edinburgh Trust-Balfour Beatty-County and District consortium — has been repulsed in its attempt to buy the site, at least partly because it has not had planning permission from Tower Hamlets.

This failure to rush the site purchase through has left the way clearer for Rosehaugh Stanhope and, indeed, for C. H. Beazer which is also said to be considering a rival plan.

PAUL CHEESBRIGHT Spitalfields Development

Rosehaugh Stanhope in Spitalfields bid

ROSEHAUGH STANHOPE Group did not wait for the Tower Hamlets planning brief before showing its hand and it got the ratio between residential and other uses badly wrong in terms of the Tower Hamlets criteria.

Rosehaugh Stanhope has been able to avoid this. According to Mr Stuart Lipton of Stanhope, the masterplan it is offering follows the requisite mix: 55 per cent for housing and 45 per cent for offices.

"The high content of offices, rather than being concentrated in one single location, is divided into seven blocks of different sizes and distributed throughout the project area. A checkerboard pattern of functional distribution alternating offices, residential and other uses, is, we believe, the answer to functional monotony and formal uniformity," Mr Lipton said.

The Rosehaugh Stanhope plan envisages the Spitalfields site as a city within a city to rival Covent Garden and Mayfair.

But it is clear that this dream, or other versions of it from different developers, is no short term part of the response to the pressure in the City for more space. Apart from unravelling the complications of the City-Tower Hamlets relationship, there also needs to be a bill passed through Parliament to give permission for changing the site of the Spitalfields market. The whole business could take years.

UNDER THE CITY
Developers plan a deeper dig

CITY WORKERS are being driven underground by new planning rules aimed at strengthening the attraction of London as a financial centre. Developers are drawing up plans for "bargain basements" which will give them bonus office space below new buildings.

The moves stem from policy changes made by City planners seeking ways of relieving pressure on space.

One proposal was to relax restrictions on plot ratios — the proportion of space allowed on each square foot of land. This ratio would also be measured differently, excluding areas like basements and plant rooms from the amount of floor space.

Planners proclaimed that creating a uniform ratio of 5:1 (that is 5 sq ft of offices for every 1 sq ft of site) and using the new method of measurement would create an extra 17.4 per cent of lettable space.

But the arithmetic may not prove so simple. Quantity surveyor Gardner and Theobald have tested the new system of measurement on a few existing buildings and found it would have yielded an average increase of less than 1 per cent in floor area above ground if it had been used at the outset. That meant that developers' and tenants' dreams of extra space overlooking the City could be dismissed. The only way of reaching the planners' promised target would be below ground.

"The new era of development

schemes is likely to include offices down to the lower basement level lit by an internal atrium or created within an internal glazed envelope," according to the surveyors. Other uses could include cantenens, dining rooms, gymnasia and squash courts. But at least one City development has been adjusted since the draft plan came out to include a second basement, with plant and storage in the lower one and 4,000 sq ft of offices in the upper basement.

David Male of Gardner & Theobald seems firmly to believe that developers will dig in. Problems of lighting and

higher costs will test their ingenuity. "But without doubt they can create basement space at a profit with the right sort of building," he says.

Burrowing down can apparently cost up to 30 per cent more than building upwards, and only half the space may earn rent compared with the 75 per cent above ground. Rents would also be lower. But this should be outweighed because the site, which can form half the outlay for each square foot built in the City, is literally coming free. It has already been paid for in the building above.

A rash of "bargain basements" will not come as a total surprise to City planning Chairman Michael Cassidy, who pointed out when the draft local plan was launched that a good proportion of the City was hidden below ground.

The challenge will be greatest for designers to integrate lightwells (now elegantly renamed atriums) into their buildings. This is ironic, considering that financial tenants such as Salomon Brothers and Barclays de Zoete Wedd have been merrily filling in those recently built, as they were the only spaces big enough to contain giant dealing floors.

In fact dealers, working to their own global time scales in vast windowless rooms above ground, may be the perfect troglodytes to move into these man-made caverns.

David Lawson



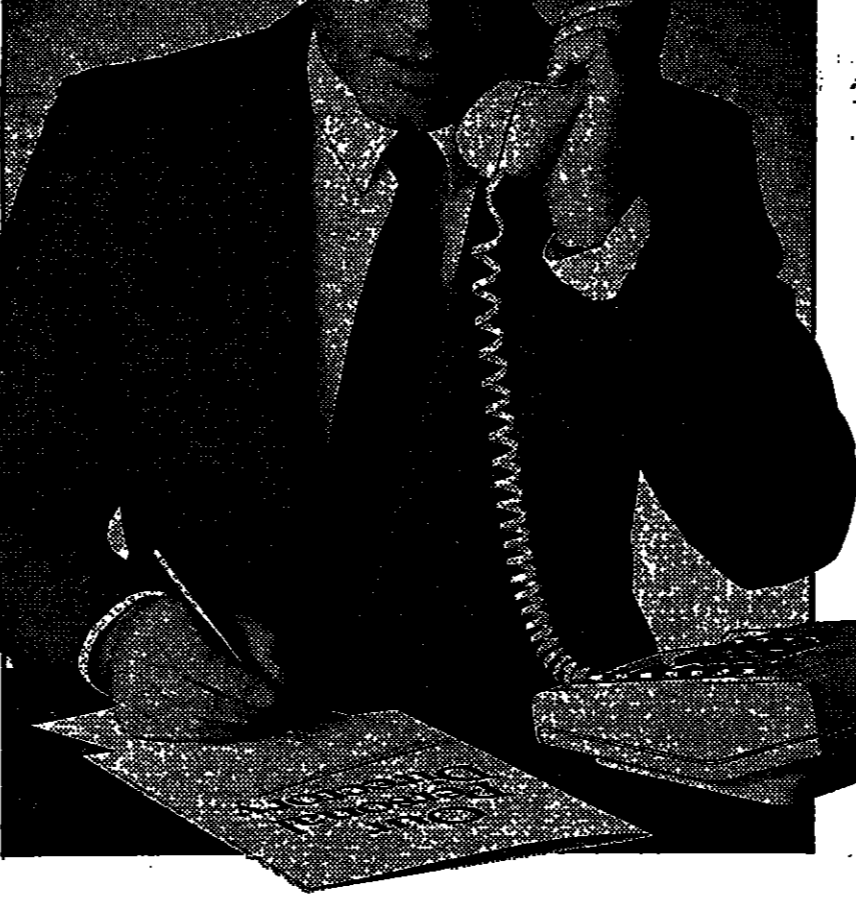
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Opposition ridicules Lawson's assurances

By Ivor Owen

ASSURANCES by Mr Nigel Lawson, the Chancellor of the Exchequer, in the Commons yesterday that the big increase in public expenditure...

Full text of the Chancellor's autumn economic statement

MR NIGEL LAWSON, the Chancellor of the Exchequer, said in his statement to the House of Commons yesterday: With permission, Mr Speaker, I would like to make a statement...



Mr Nigel Lawson, the Chancellor, on his way from 11 Downing Street yesterday to deliver the statement

above the previous provision. This in part reflects the fact that the previous plans simply carried forward the same level of cash spending as in 1985-87. At the same time, we are increasing next year's Aggregate Exchequer Grant—the contribution that taxpayers make to local government spending—by almost 10 per cent over this year's Settlement; a rise of almost £13bn.

So while the Autumn Statement will be printed in the normal way and presented to parliament as soon as the House reassembles next Wednesday, I thought it would be for the convenience of the House if I made my oral statement today. This will cover all three of the key elements in the printed statement: the Government's outline public expenditure plans for each of the next three years...

average growth in the public expenditure planning total of about 1 1/2 per cent a year in real terms, well within the prospective growth of the economy as a whole. The new planning totals have thus been set at £149.4bn for 1987-88 and £164.4bn for 1988-89, an increase of £41bn and £52bn respectively over the totals previously published...

Government steering no steady course says Hattersley

By Tom Lynch

MR ROY HATTERSLEY, Labour's shadow Chancellor, welcomed the increase in public expenditure on health, housing and education, although describing those planned as 'small'.



Mr Roy Hattersley: 'relating consumer boom' and 'intolerable' unemployment

Mr Roy Jenkins: 'There is absolutely no change in the Government's view that the key to controlling inflation is monetary policy, and the key instrument of monetary policy, is short-term interest rates...'

Conservative strategy condemned

By Michael Cassell, Political Correspondent

MR NEIL KINNOCK, the Labour leader, last night weighed into the Knowlesy North by-election campaign with a blistering attack on the Government's economic strategy.

Thatcher refuses to increase by up to 100%

BY TOM LYNCH

THE PRIME MINISTER yesterday resisted Labour pressure to tell the Commons whether she favoured the view of Mr Norman Tebbit, the Conservative Party chairman, or that of the BBC in their row over alleged bias.



Neil Kinnoch: 'blatant coercion'

THE GOVERNMENT announced an increase in visa fees of up to 100 per cent last night and sparked off an immediate political storm.

Tory MP's plea over booklet

A TORY MP told the Commons yesterday that an Animal Liberation Front booklet was being distributed giving details of how to make fire bombs from ordinary household goods.

Panorama evidence 'ignored'

SIR MICHAEL HAVERS, the Attorney General, was accused in the Commons yesterday of ignoring evidence of an alleged cover-up by Conservative Central Office over the BBC Panorama libel case.

Mr Campbell-Savours says he believed the Attorney General had not given the transcript his full consideration...

Mr Campbell-Savours said he believed the Attorney General had not given the transcript his full consideration and said no-one in the Commons should believe Sir Michael.

UK NEWS—THE ECONOMIC STATEMENT

GDP increase of 3% and low inflation expected next year

A STATEMENT by the Treasury after the Chancellor set down said: GDP is forecast to grow by 3 per cent in 1987, following growth of 2½ per cent this year.

Inflation should remain low: the recent rise in mortgage interest payments will add about half a per cent to RPI inflation for the next year, taking it to 3½ per cent in the fourth quarter of 1987.

The forecast for the UK assumes that fiscal and monetary policies will be as in the Medium-Term Financial Strategy (MTFS) in the 1986 Financial Statement and Budget Report (FSBR).

Total government borrowing (the PSBR) for 1986-87 is expected to be around £7bn, as envisaged at the time of the Budget, even after taking account of the proposed change in oil taxation.

It is assumed that North Sea oil prices average \$15 a barrel over the next year. GNP in the major industrial countries has been rising by 2½ per cent a year since 1984.

Domestic demand has been rising quite strongly over the last year, but a fall in exports to countries outside the OECD area, including OPEC, has held back overall GNP growth.

Low inflation seems likely to contribute to the strong growth in domestic demand in most major economies through 1987.

UK domestic demand has grown strongly in the last year, but for most of the year sluggish world demand has restrained exports.

Employment has continued to rise with around 200,000 extra jobs in the year to June 1986. Unemployment is expected to have stopped rising during the last six months.

Inflation has fallen this year with the retail prices index (RPI) rising by 3 per cent in the year to September compared to 5½ per cent in the year to the fourth quarter of 1985.

The low rate of inflation is likely to lead to some reduction in real pay settlements. At the end of 1987, RPI inflation is forecast at 3½ per cent, but excluding mortgage interest payments inflation should be much the same as it is now.

The decline in oil prices, coupled with a pause earlier this year in the growth of world trade, means that the current account is likely to be close to balance in 1986.

The economic recovery in Europe seems set to continue; indeed, in many countries, including Germany, output may grow faster next year.

The major seven industrial countries are expected to grow by 3 per cent in 1987. Domestic demand growth is likely to be a little faster.

The dollar has declined during most of 1985 and 1986, compared with its peak in early 1985.

size of the initial trade imbalance—the value of US merchandise imports is half as large again as that of its exports.

Japan and Germany are both experiencing a contraction in the net external demand for their products as a result of the strength of their currencies and the weaknesses in the developing world.

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the second half of 1985 as the depreciation of sterling following the fall in oil prices has more than offset the extent to which labour costs have been rising faster in the UK than in most other major countries.

Prices of exports of goods have been rising during 1986, following a small fall at the end of last year. In the third quarter of 1986 export prices of manufacturers were some 4 per cent higher than a year ago.

The large current account surpluses of the early 1980s, when the value of oil production was at its peak, have enabled the UK to build a large stock of net overseas assets.

The share of UK manufacturing exports in the volume of world trade has been broadly steady since 1980—following the decline of earlier years.

Non-oil export volumes fell in the early months of 1986 when world trade growth was sluggish but have risen again in recent months. In the third quarter of 1986 exports of manufacturers were some 3 per cent higher than a year ago.

Food prices are unlikely to strengthen significantly, as rising subsidies to farmers will bolster supply over the next few years.

Low inflation should continue to sustain domestic demand in the major economies. However, in the US the combination of a fall in the dollar and an end to the once-and-for-all effects of lower oil prices may lead to a modest rise in inflation.

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first half of the year: for the year as a whole the forecast is for broad balance. In 1987 the current account is forecast to be in deficit by around £1bn.

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The dollar has declined during most of 1985 and 1986, compared with its peak in early 1985.

The economic recovery in Europe seems set to continue; indeed, in many countries, including Germany, output may grow faster next year.

TABLE 15 CONSTANT PRICE FORECASTS OF EXPENDITURE, IMPORTS AND GROSS DOMESTIC PRODUCT

Table with columns: Constant price expenditure, General government consumption, Total fixed investment, Exports of goods and services, Change in stocks, Total final expenditure, Imports of goods and services, Less adjustment to factor cost, Plus statistical adjustment, GDP at factor cost, GDP index 1980=100. Rows for years 1981-1987.

TABLE 1 World Economy (Per cent changes on a year earlier)

Table with columns: Major Seven countries*, Real GNP, Industrial production, Exports of goods (volume), Consumer prices, World trade, Total imports, Trade in manufactures. Rows for years 1985, 1986, 1987.

TABLE 9 Output per head of the employed labour force

Table with columns: Annual average percentage changes, 1974-75, 1975-79, 1979-86. Rows for Manufacturing, Non-manufacturing.

TABLE 10 General government expenditure

Table with columns: Public expenditure planning total, Interest payments, Less public corporations market and overseas borrowing, Other adjustments, General government expenditure in national account terms. Rows for 1985-86, 1986-87.

TABLE 11 General government receipts

Table with columns: Taxes on income, expenditure and capital, National insurance and other contributions, Interest and other receipts, Accruals adjustments, Total receipts of which North Sea revenues (including allowance for the change in advance PRT in 1986-87). Rows for 1985-86, 1986-87.

TABLE 12 Public sector borrowing

Table with columns: General government expenditure, General government receipts, General government Borrowing Requirement, Public corporations' market and overseas borrowing, Public Sector Borrowing Requirement, as percentage of GDP, Money GDP at market prices. Rows for 1985-86, 1986-87.

TABLE 13 Changes to the Estimates of Public Sector Receipts Expenditure, and Borrowing

Table with columns: Expenditure, Public corporations' market and overseas borrowing, Total, Receipts, Non-North Sea receipts, North Sea revenues (including effect of policy change for 1986-87), Total receipts (including effect of North Sea policy change in 1986-87), PSBR. Rows for 1985-86, 1986-87.

TABLE 14 Economic prospects

Table with columns: Output and expenditure at constant 1980 prices, Domestic demand, Consumers' expenditure, General government consumption, Fixed investment, Change in stockbuilding (as per cent of level of GDP), Exports of goods and services, Imports of goods and services, Gross domestic product, Balance of payments, Current account £bn, Inflation, Retail prices index (per cent changes Q4 to Q4), Deflator for GDP at market prices (per cent changes on previous financial year), Money GDP at market prices (per cent changes on previous financial year). Rows for 1986, 1987.

* The errors relate to the average differences (on either side of the central figure) between forecast and current figures. The method of calculating these errors has been explained in earlier publications and government forecasts (see Economic Progress Report June 1981). The calculation of average errors is based on forecasts made between 1975 and 1984. The errors are after adjustment for the effects of major changes in fiscal policy where excluded from the forecasts.

TABLE 2 Trade in Goods (Per cent changes on previous year)

Table with columns: All goods, Goods less oil and erratic items, Export volume, Import volume, Terms of trade. Rows for 1985, 1986 partly forecast, 1987 forecast.

TABLE 3 Current Account

Table with columns: Manufactures, Oil, Other goods, Invisibles, Current balance. Rows for 1985, 1986 partly forecast, 1987 forecast.

TABLE 4 Domestic demand and GDP

Table with columns: Domestic demand, Exports of goods and services, Imports of goods and services, Domestic production: GDP. Rows for 1985, 1986, 1987.

TABLE 5 GDP and manufacturing output

Table with columns: GDP (average measure), GDP, adjusted for coal strike and excluding oil output, Manufacturing output. Rows for 1985, 1986, 1987.

TABLE 6 Costs in Manufacturing

Table with columns: Unit labour cost of Materials, Estimated total cost, Output prices. Rows for 1984, 1985, 1986, 1987 forecast.

TABLE 7 Retail prices index

Table with columns: Food, Nationalised industries, Housing, Other, Total RPI. Rows for 1984, 1985, 1986, 1987 forecast.

TABLE 8 Employment

Table with columns: Thousands, change in GB seasonally adjusted, Employees in employment, Self-employed, HM Forces, Employed labour force. Rows for June 1983 to June 1984, June 1984 to June 1985, June 1985 to June 1986, June 1986 to June 1987.

* Figures for self-employment over the last year are a projection based on self-employment growth over the previous 4 years.

MP's over booklet

fees to increase by 100%

UK NEWS—THE ECONOMIC STATEMENT

NI standard rates to stay unchanged

MR NORMAN FOWLER, the Secretary of State for Social Services, yesterday commented on planned expenditure on social security benefits...

per cent and 10.45 per cent respectively. This is the fourth successive year that these have remained unchanged.

rates are paid. Some lower paid contracted-out employees, and their employers, will in fact have their contributions reduced as a result of the higher earnings ceilings for the reduced contribution rates.

Effect of proposed changes on individual liability (Employed Earners)

Table with columns: WEEKLY EARNINGS, EMPLOYEE, EMPLOYER, TOTAL. Rows show contracted-out amounts and changes for various earnings bands.

Proposed rates of Class 1 contributions for 1987-88

Table with columns: Primary contribution (employee), Secondary contribution (employer), Total weekly earnings. Rows show rates for different earnings bands.

Effect of proposed changes on individual liability self employed

Table with columns: Annual Profits or Gains, Yearly Contribution, Change. Rows show contribution rates for different profit bands.

EDUCATION A lot on top of the pay deal

THE BIGGEST increase in any departmental spending programme is that for education. The increase allowed for in local authority expenditure in the sector is said by the Government to be worth 18.8 per cent more in cash terms than in 1986-87.

General Certificate of Secondary Education—the 16-plus examination—following criticism of the level of funds available for it. Part of a £200m in-service training allocation will be specifically for GCSE teachers, with £10m being available for GCSE books and equipment under a £22m education support grant programme.

UNIVERSITIES AND COLLEGES Water after drought

"WATER" after years of drought" was the university chiefs' official phrase for the extra money the Government's new plans set aside for universities. Unofficially, however, the Committee of Vice-Chancellors and Principals added that the "water" will be flowing less freely than the Government's statement makes it seem.

increases both for that period and for 1988-89 are greater than the extra sums respectively of £30m and £50m which the Government had in mind earlier this year when Sir Keith Joseph was still Secretary for Education and Science.

Statutory sick pay rates to rise

JOHN MAJOR, Minister of State for Social Security, yesterday announced new rates and changes to the rate levels for Statutory Sick Pay to take effect from April 1987.

NHS spending in England to rise 2.5%

MR NORMAN FOWLER, Secretary of State for Social Services, has given details of the plans for the NHS announced in the Chancellor's Autumn Statement. Mr Fowler said: "The NHS will continue to grow over the next three years. Total spending in Great Britain will rise from £18.4bn this year to nearly £20bn in 1987-88 and to reach over £21bn by 1989-90.

transitional problems in some districts. I am therefore taking immediate steps to ensure that Regions which get less than national average growth—principally the four Thames Regions—can continue to make progress with improving services for priority groups and for patients who live outside the main cities.

DEFENCE Breathing-space for Younger

MR GEORGE YOUNGER, the Defence Secretary, appears to have succeeded in taking the pressure off the defence budget for the last financial year of the decade.

The forecast stabilising of new expenditure plans will not change the need for hard decisions on individual spending programmes. In particular, officials are concerned about the impact of the impending decision on the choice of aircraft for Britain's new airborne early warning system.

Funding for education to increase 18.8%

MR KENNETH BAKER, the Education Secretary, yesterday announced that expenditure on education and science in 1987-88 would total £16,599m, £2,280m more than the planned expenditure for 1986-87.

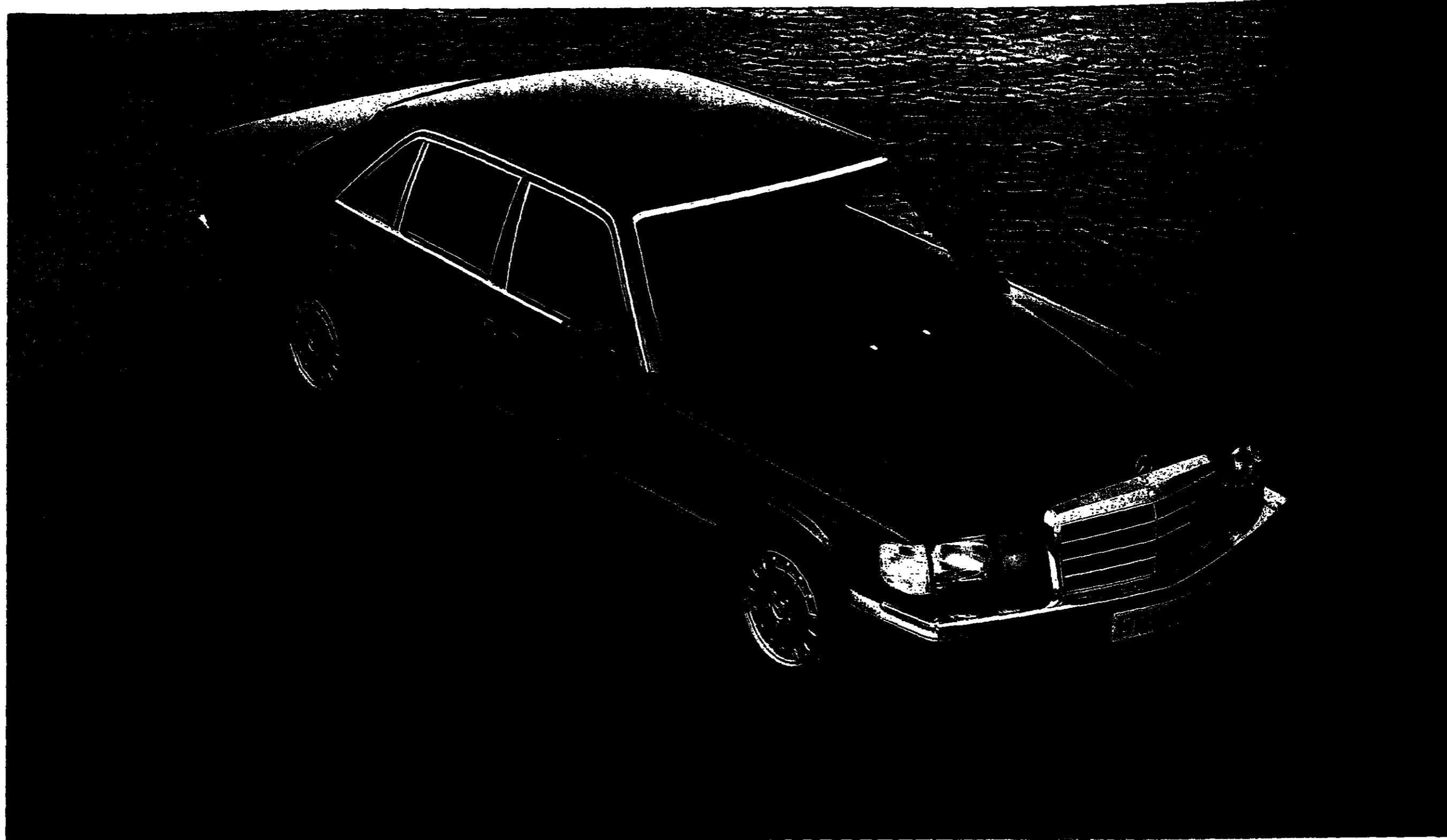
supported by grant of £64m. This year as last all LEAs have accepted the invitation to bid and I hope to announce allocations for individual LEAs in December.

better finance management and improved standards of teaching. I have now been able to agree with the University Grants Committee and the Committee of Vice-Chancellors and Principals a major programme of work in these areas.

TRANSPORT More for southern roads

SPENDING DECISIONS for the Transport Department will intensify the Government's pursuit of cost effective capital investment at the expense of operating subsidies. Increases in capital spending will be marginally more than forecast in the public spending White Paper earlier this year.

£1,260m to finance repairs to roads and bridges damaged by two successive bad winters. British Rail and London Regional Transport will escape relatively unscathed next year, but the Autumn Statement's detailed figures foreshadow a tightening of purse strings in future years.



THE MERCEDES-BENZ S-CLASS SALOONS: 300 SE, 420 SE, 420 SEL, 500 SE, 500 SEL, 560 SEL.

The S-class: Mercedes-Benz engineering in its most classic form

Although the S-class has been described as "a moving network of high technology," Mercedes-Benz does not believe in complicated technology for its own sake. Instead they blend it ingeniously with their celebrated engineering techniques to produce S-class cars with the remarkable ability to behave like chauffeured limousines one moment and taut sports saloons the next.

An S-class Mercedes-Benz is almost two tons of educated steel and aluminium, complemented with space-age alloys and fabrics. The 300 SE comes with automatic transmission as standard equipment, plus variable-ratio power steering, multi-point central locking, electric windows, electrically-heated exterior mirrors and automatic front seat belt tensioners.

Throughout the S-class range there are nearly forty other items of optional or standard equipment. From electric front seats with individual memories to orthopaedic back rests, air bags and ABS. Importantly, all of these items are related to additional safety, comfort or convenience.

This wide range of options, plus the choice of four engine sizes means that the S-class buyer can order a car that is virtually bespoke-tailored. The choice is further widened with the availability of the longer wheelbase 420 SEL or 500 SEL.

Pinnacle of the S-class range is undoubtedly the new 560 SEL. This extraordinary 300hp saloon has twenty factory-fitted options as standard equipment and is available with an intelligent hydro-pneumatic suspension. This new system modifies its firmness and height to match the driver's style.

The conundrum confronting many an S-class buyer, however, is not which model to order or which options to specify; it is whether to drive or be driven. The Mercedes-Benz S-class permits you to sit back and indulge in an enormous range of amenities or to take the steering wheel firmly in both hands and drive for the sheer pleasure of it. Whichever seat you decide to take, the experience will be most rewarding.



Mercedes-Benz

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J.P. 150

THE ARTS

Arts Week

F	S	Sa	M	Tu	W	Th
7	8	9	10	11	12	13

Opera and Ballet

LONDON

Royal Opera, Covent Garden: The Travels of an Italian Comedian. Lucia Aliberti in all performance (taking over the share of the husbanded Katia Ricciarelli), with Arthur Davis and Peter Dinkov alternating as Alfredo, and Yuri Simonov conducting. (249 1080).

English National Opera, Coliseum: two of this season's two new productions continue in repertory - the Jonathan Miller non-Japanese Miranda, with Eric Lide as Ko-Ko, and the double bill of Cavalleria Rusticana and I Pagliacci produced by Ian Judge and conducted by Jacques Delacôte. (836 3161).

Royal Opera House, Covent Garden: Kenneth MacMillan's Maying and The Sleeping Beauty with Gelsey Kirkland as Aurora.

SPAIN

Barcelona, Gran Teatre del Liceu: Don Quixote with Ruggiero Romano, Gabriel Bacquier and Martha Sosa. Gran Teatre del Liceu, Sant Pau 1. (818 82 77).

VIENNA

Staatoper: La Bohème conducted by Rudolf Wallynig, René Cuyodi. Die Verkauft Brant. National Theatre of Prague, conducted by Václav Nejedlik with Benno Kusby, Dobrova, Vitkova, Jonsasova; Der Rosenkavalier conducted by Weikert with Ryszard Gajdos, Schmidt, Wise, Mijalkovic, Gall, Gassai, Dalibor. National Theatre of Prague, conducted by Václav Nejedlik with Benno Kusby, Dobrova, Vitkova, Jonsasova; Der Rosenkavalier conducted by Weikert with Ryszard Gajdos, Schmidt, Wise, Mijalkovic, Gall, Gassai, Dalibor. (51 444/2655).

NETHERLANDS

Amsterdam, Muziektheater: The National Ballet with Giselle choreographed by Petrus and revised by Peter Wright (Tue to Thur). (255 458).

SCHWENINGEN, CROSUS THEATRE

Schweningen, CROSUS THEATRE: Anne Marie de Angeli's American Dance Theatre (Tue). The Royal Ballet of Flanders in Cinderella, choreographed by Valery Fomov (Wed). (53 58 50).

GROENINGEN, SCHOUWBURG

Groeningen, Schouwburg: The Netherlands Dans Theater with Ballet Soames (Stravinsky/Van Manes). Symphony of Psalms (Stravinsky/Kylin), and a new ballet by Et Wubbe (Tue). (12 55 45).

THE AMERICAN BUCKET DANCE THEATRE

The American Bucket Dance Theatre: company on tour. Möt in Breda, Concordia (13 57 00), Wed in Tilburg, Schouwburg (43 22 30), Thur in The Hague, Koninklijk Schouwburg (46 94 50).

ITALY

Rome, Teatro dell'Opera: Spontini's Agnese di Hohenhausen with Montserrat Cabellé, Ghemys Linos, Verónica Lucchetti, Rainer Base and Enzo di Cesare. A new production by Antonino Valsecchi. The opera was last seen in Italy in 1971 in Florence. (46 17 55).

TEATRO BRANCONIO

Teatro Branconio: The Aterballetto in a programme of four ballets. (Wed and Thur). (46 17 55).

FIRENZE, TEATRO COMMUNALE

Firenze, Teatro Comunale: La Gioconda conducted by Miguel Gomez-Martinez and directed with scenery and costumes by Svyatko Slonimsky. Gisela Dimitrova in the title role. Ballerina Carla Fracci will also be taking part, with the Orchestra, Choir and Corps de Ballet of the Maggio Musicale Fiorentino. (37 79 256).

TEATRO COMUNALE GIUSEPPE VERDI

Teatro Comunale Giuseppe Verdi: Rigoleto conducted by Herbert Soudant and directed by Lamberto Puggelli with Susie Jo, Gloria Souchi, John Rawnsley and Antonio Savastano. (83 19 45).

NEW YORK

Jeffrey Ballet (City Center): The five-week, 30th anniversary season features Frederick Ashton's La Fille Malgré lui, a newly commissioned work from Mark Morris and the New York premiere of Mark Haim's The Gardens of Boboli. Ends Nov 16. 55th e. of 7th Av (581 7807).

METROPOLITAN OPERA (OPERAS HOUSE)

Metropolitan Opera (Operas House): The week features Romeo et Juliette conducted by Placido Domingo

with Cecilia Gaudin, Brito Sobranyer and Paul Fiebler; Der Rosenkavalier conducted by Jeffrey Tate in Nathaniel Merrill's production with Anna Tomowa-Sintow, Brigitte Fassbender, Taro Jishiro and Gottfried Brühl; Tosca conducted by Gerd Albrecht in Franco Zeffirelli's production with Eva Martin, Plácido Domingo and Kato Tajiri; and Jitka Zelinka conducting Le Nozze di Figaro in Jean-François Fournier's production with Elizabeth Söderstrom, Kathleen Battle and Thomas Hampson. Lincoln Center (832 8000).

NEW YORK CITY OPERA (NY STATE THEATRE)

New York City Opera (NY State Theatre): The final week of the season features Leonard Bernstein's Candide following final performances of Die Fledermaus conducted by Ingeborg Hallstein and The Merry Widow conducted by Leonard Bernstein's production with Leigh Mason and Theodore Barye; Edith Davis in the title role in Frank Corsham's production of Madame Butterfly conducted by Christopher Ketner. Mediatele. Love for Three Oranges. Lincoln Center (870 5600).

NEAR WEST FESTIVAL (BROOKLYN ACADEMY OF MUSIC)

Near West Festival (Brooklyn Academy of Music): Mark Morris Group performs an original choreography to Pergolesi's Stabat mater performed by the St Luke's Chamber Orchestra (Wed, Thur). (718 636 4196).

PARIS

Opéra de Paris: La Belle Étoile with the title role sung by Eva Sidorova-Valéria Maréchal. Les Femmes d'Albi by Pierre Castel/Roger Fugot. Théâtre de Paris (4874 1075).

WASHINGTON

Washington Opera (Opera House): The week features Mendelssohn's Die Hochzeit des Figaro conducted by Rimsky-Korsakov's The Czar's Bride, directed by Galina Vishnevskaya with Elizabeth Kochan, George Plazas, and Ivan Konstantin; and Wolf-Dietrich Ludwig's new production of Il Trovatore directed by Daniel Oren with Susan Dunn and Franco Bonifazi. Kennedy Center (254 3770).

TOKYO

Metropolitan Ballet: Don Quixote with Yoko Morishita, Rudolf Nureyev, Nicolas Girotto. Nissai Theatre, Hibiya (Tue). (363 8111).

FUJITSU OPERA COMPANY

Fujitsu Opera Company: Le Villi and Cavalleria Rusticana. Shinjuku Bank Centre. (Tue, Wed, Thur). (371 5354).

CHICAGO

Lyric Opera: Etienne's Orlando. John Copley's production is conducted by Charles Mackerras with June Anderson, Marilyn Horst and Jeffrey Gull. Ballet. Chicago. (362 8111).

WEST GERMANY

Berlin, Deutsche Oper: Hoffmanns Erzählungen. sung in French, has the principal parts by Katharina Riegel and Faye Robinson. Götterdämmerung stars Ute Winberg, Hanna Schwarz and Hans Kolb. Eugen Onegin is revived with Fritz Lehmann, Dagmar Schlegel and also Die Lustigen Weiber von Windsor and Katja Kabanova.

HAMBURG, STAATSOOPER

Hamburg, Staatsoper: The Magic Flute has Haeon Kwon, Helen Donath, Yvonne Moll and Hans-Joachim Haselt. Die Verkauft Brant stars Olive Friedrichs, Hildegard Harwig, Martti Talvela and Dieter Weller. Manon Lescaut has a particularly strong cast with Natalia Troitskaya, Rachel Joehann and Giuliano Ciannella. Also Il Trovatore and Carmen, the latter conducted by Giuseppe Patena.

FRANKFURT, OPERA

Frankfurt, Opera: The Ruth Berghaus production of Siegfried will have its premiere this week. The cast is led by Caterina Ligendza, Cornelia Berger, William Cochran, Wolfgang Probst and Adalbert Weller. Der Zigeunerbaron features Eilana Celibidach, Daniel Maslowski and Heinz Hagenau. Christoph Pregledien and Sharon Markovich sing in Orpheus in der Unterwelt. Die Verkauft Brant round off the week.

COLOGNE, OPERA

Cologne, Opera: Moses and Aaron, produced by Achim Freyer, will have its premiere this week. The main parts are sung by Siegfried Harnert and Günter Neumann. Festival on Volcanos stars Jeannine Almeray, René Kollo and Matthias Erlie. The programme offers works by Wagner, Die Heinnliche Ebe has fine interpretations by Carlos Feller, James Hall and Claudio Nicolai. Zar und Zimmermann is a well done repertoire performance.

MÜNCHEN, BAYERISCHE STAATSOOPER

München, Bayerische Staatsoper: Francesco Cilea's rarely played Adriana Lecocquer is an event of major interest with Natalia Troitskaya, Hanna Schwarz and Giacomo Aragall. Tosca convinces thanks to Hildegard Behrens in the title role. Also Wolfgang Willrich, conducting Il Tabarro! Gianni Schicchi in Tito Gobbi's production with Julia Varady, Cornelia Berger, Astrid Varnay and Roland Petersen. Don Carlos with Renato Bruson and Giorgio Lamberti and Der Fliegende Holländer with Donald McIntyre closes the week.

Music

SPAIN

Madrid, Líder concert: with soprano Cristina Bustamante accompanied by Perfecto Garcia Charvet. Círculo de Bellas Artes, Matyque de Casa Riera 2 (Mon).

MADRID, TEATRO REAL

Madrid, Teatro Real, Paseo Isabel II: Sonatas by Beethoven with Daniel Barenboim. (Mon). (Nov. 8, 12, 25, and 28); Tux (Nov. 5, 11, 18, 20, and 23); Orquesta y Coro Sinfónico de RTVE conducted by Edmon Colomer. Guridi, Liszt and Beethoven (Thur).

VIENNA

Ensemble Modern der Jungen Deutschen Philharmonie: conducted by Heinz Holliger with Aurelie Nicolet, Anne Thomas Fischer, double-bass. Holliger, Hüner, Wytschach. Konzerthaus Mozart Saal Moa (72 12 11).

VIENNA, SCHWANNEN

Grigori Sokolov, piano: Beethoven, Schumann, Stravinsky. Musikverein (Tue).

NETHERLANDS

Utrecht, Vredenburg: The Netherlands Philharmonic conducted by Hubert Soudant with Jean-Jacques Kantorov, viola; Rosini, Martin, Schurt, Britten (Wed), Reethal Hall: Travelling Music Ensemble led by Christian Bot; Schmitt, Klugebach, Erben (Wed), Mahler Lieder sung by Jari van Nes, mezzo, accompanied by Gérard van Bleek (Thur). (81 43 44).

GROENINGEN, OOSTERPOORT ORCHESTRA

Groeningen, Oosterpoort Orchestra: of the 19th century under Frans Brüggem, Mozart, Schubert (Tue). (13 10 44).

LONDON

Seymour Royal Festival Hall (Mon). (229 2101).

ROYAL PHILHARMONIC ORCHESTRA

Royal Philharmonic Orchestra: conducted by Yuri Temirkanov with

Miriam Fried, violin, Prokofiev, Bruch and Sibelius (Thur). Royal Festival Hall.

PARIS

Orchestre de Paris: conducted by Christoph von Dohnanyi, Philippe Blaschoun, piano. Orchestre de Paris. Concert by Arthur Oldham: Haydn, Schumann, Ives (Wed, Thur). Salle Pleyel (451 8830).

NOUVEL ORCHESTRE PHILHARMONIQUE

Nouvel Orchestre Philharmonique: conducted by M. Janowski, Siegmund Nimsgern, baritone, Martin, Bruckner (Thur), Radio France, Grand Auditorium (439 1516).

WEST GERMANY

Frankfurt, Alte Oper: Ivo Pogorelich, piano. Scuderi, Beethoven, Chopin, Scriabin (Mon).

MILAN, REGGIO-EMILIA

Milan, Regio-Emilia: Teatro Municipale Valli: Maurizio Benini conducts the Bologna Comunale Symphony Orchestra in Haydn's Seven Last Words of Christ on the Cross (Mon). (40 346).

ROMA, CHIESA DI S. SABINA

Roma, Chiesa di S. Sabina (Colle Aventino): Ludovico Dabelli - a 12th century liturgical drama by the New York Ensemble for early Music conducted by Frederick Renz and directed by Paul Hillbrand Jr. (Wed and Thur). (360 1732).

NEW YORK

New York Philharmonic (Avery Fisher Hall): Zubin Mehta conducting, Eugene Levinson, double bass; Charles Rex, violin; Joseph Robinson, oboe. Haydn, Hindemith, Korovitzky, Scriabin (Tue); Zubin Mehta conducting, Paul Neubauer, violin; Leonard Davis, viola; Roger Woodward, piano. Bach, Kenrick: Korovitzky (world premiere), (Thur). Lincoln Center (574 2424).

The Waverly Consort (Alice Tully): The Road to Compostela, songs of medieval travellers and pilgrims (Thur). Lincoln Center (582 1811).

WASHINGTON

National Symphony (Concert Hall): Mikhail Rostropovich conducting. Barber, Schubert, Rimsky-Korsakov (Tue); Mstislav Rostropovich conducting, Uto Ughi, viola, Oratorio Society of Washington directed by Robert Suter. Haydn, Dvořák, Prokofiev (Thur). Kennedy Center (254 3770).

CHICAGO

Chicago Symphony (Orchestra Hall): Claudio Abbado conducting. Margaret Price soprano, Lucia Valenzuela mezzo-soprano. Taro Jishiro, harp. György Kurtág. All-Verdi programme (Thur). (435 8111).

TOKYO

Musica Andreá, trumpet: Talemant, Bach, Albert. Hibiya Memorial Hall, Shinjuku Women's College, Seijogaya (Mon). (371 8200).

FRANKFURT, STADT THEATRE

Frankfurt, Stadt Theater: Haydn, Scarlatti, Dvořák. Nikkel Hall, Ottenmühl (Thur). (235 1801).

NEIK SYMPHONY ORCHESTRA

NEIK Symphony Orchestra: conducted by Leonard Statkin. Mozart, Mahler, (Mon); Mikiko Uchida with English Chamber Orchestra in cycle of Mozart piano concertos (Tue); English Chamber Orchestra conducted by Andrew Litton with Nobuko Yamasaki, oboe. David Matthews, Haydn, Mozart (Wed); Premieres of commissioned contemporary music: Tokyo Metropolitan Symphony Orchestra conducted by Hiroaki Iwaki. Izang Yun, Keith Clifford, Hans Zender, Leszczewski (Thur). (505 1010).

Theatre

TOKYO

Takarazuka All-Girls' Revue: This phenomenon, the synthesis of Kabuki where all the roles are played by girls but with typical Japanese innocence and coyness and is totally un-camp, is a must for visitors. Takarazuka perform elaborately staged and skilled musical adaptations of both Japanese and Western plays - also revised and standard musicals. Highly improbable plots are more than compensated for by spectacular stagings and huge casts. Takarazuka provides another insight into the incongruous mosaic of Japanese culture. Detailed English summaries in the programme - in case the original story is altered beyond recognition. Takarazuka Theatre, near Giza and main hotels. Afternoon and evening performances. (581 1711).

LONDON

Les Liaisons Dangereuses (Ambassadors): Christopher Hampton's masterly version of Les Liaisons Dangereuses is witty and wise, like a collaboration between Molière and de Sade. Howard Davies's sell-out pre-revolutionary production for the RSC has moved from the Pit with Alan Rickman and Lindsay Duncan still baffling and bickering over lovers and other riff-raff. (836 6111, CC 836 1171).

MISALIMAN (BARBICAN)

Misalimane (Barbican): Barely seen Shaw, and a much underrated play, given the full RSC works by John Caird, a Polish new woman crashing into the survey conservatory in her motorplane. Jane Lapotnik sparkles alongside Brian Cox, Elizabeth Spryng and newcomer Richard McCabe (826 5795, CC 836 8891).

LEAD ME A TUNER (GLOBE)

Lead Me a Tuner (Globe): Ian Talbot leads the new cast in Ken Ludwig's blazing comedy about backstage tribulations in Cleveland, Ohio, directed by

ing a doomed 1933 tour of Verdi's Otello. A blight at the opera. (457 1962, CC 379 6432).

The Franchise of the Opera (Her Majesty): Spectacular but emotionally nutritional new musical by Andrew Lloyd Webber emphasizing the romance in Leroux's 1911 novel. Happens in a wonderful Paris Opera ambience designed by Maria Bjornson. Ed Fenech's alert, affectionate production contains a superb central performance by Michael Crawford. A new, meritorious and palatable hit. (838 2244, CC 379 6131/240 7306).

Woman in Mind (Vandeville): Alan Ayckbourn's new comedy has a brilliant performance by Julia McKenzie as a disaffected housewife visited on her own garden lawn by an imaginary ideal father. Black but funny, hailed in some quarters as a new kind of farce; he is not put off by that. (838 987/6642).

42nd Street (Drury Lane): No British equivalent has been found for New York's Jerry Orbach, but David Merrick's top-dancing extravaganza has been rapturously received. (836 8106).

NEW YORK

Case (Winter Garden): Still a sell-out. Trevor Nunn's production of T.S. Eliot's children's poetry set to trendy music is visually startling and choreographically false, but classic only in the sense of a rather staid and overworked idea of theatricality. (239 6262).

42nd Street (Majestic): An inmoderate celebration of the heyday of Broadway in the '30s incorporates gems from the original film like Shirley Off To Buffalo with the appropriately brash and leggy hooding by a large chorus line. (977 9020).

A Change of Mind (Shubert): The longest-running musical ever in America has not only supported Joseph Papp's Public Theater for eight years but also updated the musical genre with its backstage story in

which the songs are used as emotions rather than emotions. (239 6300).

La Cage aux Folles (Palace): With some unusual Jerry Herman songs, Harvey Fierstein's adaptation of the French film manages, barely, to capture the feel of the sweet and hilarious original between high-kicking and gaudy chorus numbers. (757 2628).

I'm Not Rappaport (Booth): The Tony's best play of 1986 won on the strength of its word-of-mouth popularity for the two oldest on Central Park benches who bicker uproariously about life past, present and future, with a funny plot to match. (239 6200).

Big River (O'Neill): Roger Miller's music rescues this sedentary version of Mark Twain's adventures down the Mississippi, which walked off with many 1985 Tony awards almost by default. (246 0220).

The Mystery of Edwin Drood (Imperial): Rupert Holmes's Tony-winning resurrection of the unfinished Dickens classic is an ingenious musical with music-hall times where the audience picks an ending. (239 6200).

CHICAGO

Fanny Brice and Dinah Shore (Apollo Theater): Fascious look at country music and down-home country life with a good beat and some memorable songs, especially one played on kitchen utensils has proved to be a durable Chicago hit. (835 6100).

WASHINGTON

The Marriage of Betty & Boo (Arena): Christopher Durang's latest swipe at domestic life and marriage has an autobiographical air as it dissects three generations of a contemporary American family. James C. Nicola directs a cast headed by Casey Biggs, Donna Snow and Thomas Anthony Quinn. Ends Nov 23.

Continued on Page 20



KOREA INDIA PHILIPPINES TAIWAN INDONESIA MALAYSIA HONG KONG SINGAPORE THAILAND JAPAN

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THE ARTS

Cinema/Nigel Andrews

Dancing orphans of the media storm

Ginger and Fred directed by Federico Fellini
Ruthless People directed by Jim Abrahams, Jerry and David Zucker
Shoah directed by Claude Lanzmann

If Dante had lived in the age of multichannel commercial television, then Dante's Inferno might have been set, like most of Ginger and Fred, in a Rome TV studio.



Giulietta Masina and Marcello Mastroianni as Ginger and Fred

And once in her room, she finds she overlooks a surreal landscape with a purple backdrop and a TV tower with revolving lighthouse-like beam.

Either in such old-fashioned ways as they discover during their reunion: love, companionship, and the infinite tolerance taught us by age.

poster. DeVito likewise declines to pay the \$500,000 ransom, and is still stalling when the kidnappers come down (like exhausted used-car salesman) to \$50,000 and then 10,000.

Fellini being Fellini (and being quite incapable of being anyone else), the TV studio's overdone macabre is allowed to spill over into the edges of the film's story.

Iolanthe/Liverpool

Max Loppert

On to the Liverpool Empire, where Scottish Opera is this week in state, performing Bizet, Strauss and G&S.

North job was well timed and much appreciated. It is a production of keenly drilled motions; the liveliness is certainly preferable to the stodge of G&S traditional routine.

commands the stage with the necessary larger-than-life gusto. Of the two leading parts, Hugh Hetherington and Eric Roberts, much the same can be said.

Royal Gala/RCM

Rodney Milnes

The new Britten Theatre at the Royal College of Music, opened by the Queen on Wednesday night, was described by David Pountney on Monday.

Too True To Be Good/Riverside Studios

Michael Coveney

The lights dim at Riverside Studios to the sound of the "Teddy Bears' Picnic" on way of setting up Shaw's interwar political extravaganza as an attractive, bedtime cautionary tale.

off in the desert as a gentleman and a countess. Here they encounter Colonel who lives only for watercolours charged with rescuing the abducted girl and expressing bridgandage, and a Ross-like private who has resigned several commissions on a motorcycle.

take Shaw on his surface terms and not to humanise the puppets. Miss Thomas in particular pursues this line with Nurse Sweetie-Simpkins, squeezing her into the limits as the plucky Countess, flashing thighs and cracking a French accent to devastating effect.

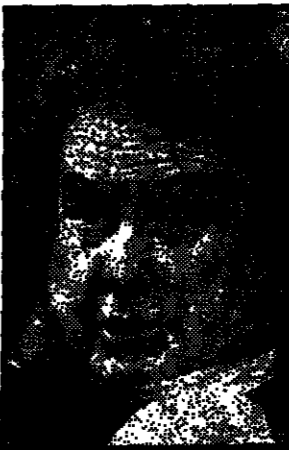
Tristram Shandy/Oxford

Martin Hoyle

University Theatre is the latest cause to be lost in Oxford. Government cuts in funding demand the loss of about 100 academic posts over the next four years.

three—on which the narrator is effortlessly begotten (behind mercifully closed curtains). "Irresponsible," "nasty" and "grilling" in Leavis's notorious verdict.

reassuring part of British humour. At first following the book's cheerfully wayward distribution of the action—the first half ends, with Tristram's birth—the play finally jerks its disjointed and witty way to an arbitrary conclusion.



Michael Turner

Arts Week

Continued from Page 19

Exhibitions

LONDON The Royal Academy: Je Suis le Cahier—the sketchbooks of Picasso. It is in an artist's sketchbooks and notebooks, often more than in his drawings, that he demonstrates the true nature of his ideas.

loved world he peopled with voluptuous goddesses and shepherds. Frederic Leitz, a friend of Picasso's, is showing an interesting exhibition of 19th century German and French paintings: romantic, realist and impressionist, with works by Caspar David Friedrich, Adolph von Menzel, Wilhelm Leibl, Max Liebermann, Max Slevogt and Louis Corinth, Renoir, Monet, Sisley, Degas, Pissarro and Manet.

abstract art after 1945, and pop art. Also German art from the 60s to the present. Ends Nov 30. The museum is showing an interesting exhibition of 19th century German and French paintings: romantic, realist and impressionist, with works by Caspar David Friedrich, Adolph von Menzel, Wilhelm Leibl, Max Liebermann, Max Slevogt and Louis Corinth, Renoir, Monet, Sisley, Degas, Pissarro and Manet.

travellers unable to afford a Canal boat, and at Villa in Ferrara (Villa degli Estensi) in Italy in 1833. Ends Nov 16.

NETHERLANDS Levens, Singer Museum. Recent graphics by more than 100 Dutch artists. Ends Dec 14. The Hague: Historical Museum. The Taste of the Elite focuses on Amsterdam's rich merchant class and its influence on art and culture as part of the celebration of the 19th century's centenary.

WASHINGTON Hirshhorn Museum: More than 130 paintings, sculptures and drawings from a \$300 donation by the museum's founder Joseph H. Hirshhorn on his death in 1978.

CHICAGO Chicago Historical Society: Louis Sullivan, a seminal figure in American architecture, is celebrated in an exhibit in the city he made architecturally famous with newly made models of his buildings along with drawings, sketches and building fragments emphasizing his use of ornament. Ends Dec 31.

TOKYO Green 60 oil paintings, part of the Matsukata collection, National Museum of Western Art, Ueno Park, one of Tokyo's very large parks. Several national museums and Tokyo's main concert hall (Tokyo Bunka Kaikan) are in the vicinity.

PARIS Besse: After important exhibitions in Germany, Switzerland and Scandinavia, Paris in turn honours the abstract French artist born in 1904. The retrospective consists of 116 paintings, 50 watercolours, nearly as many drawings, some collages and tapestries and shows Estève's development. Influenced at first by Cubism and fascinated by Cézanne, he continues obstinately on his own solitary road until he achieves an equilibrium between a rigorous composition and an explosion of colours. Grand Palais, closed Tues, Ends Jan 12 (4258 0224).

WEST GERMANY Cologne, Wallraf-Richartz Museum, Museum Ludwig, Bischöfliches Museum. The new museum built by the German architects Brunmann and Haberer, will open this week. The initiative for the museum came from Peter Ludwig, one of the leading German collectors of Modern Art, who has donated about 300 pieces. The museum is devoted to 20th century art: French, German and American painting, including

ITALY Rome: Rome has exalted itself with four highly enjoyable and beautifully presented exhibitions. At the Galleria Nazionale d'Arte Moderna (Via delle Belle Arti), the reprinted northern beauties of Edward Burne-Jones are drawing surprisingly large crowds. At Palazzo Braschi (Piazza San Pantaleo) Pezzotta and the Doric Revival—paintings, drawings, engravings and scale models from the years immediately following the rediscovery of the Greek temples in 1780, and its effect on the architecture of such distant cities as Boston and Baltimore, as well as numerous European capitals. At the Braccio di Carlo Magno (Piazza San Pietro) exquisite Mosaic Murali made in Rome in the late 18th and early 19th centuries, and bought by

VIENNA Dian— a submerged kingdom of China: According to the organisers this is the first exhibition in the west of treasures from the Dian Kingdom, which existed more than 5,000 years ago in south-west China. Unusual and spectacular gilded bronzes were discovered only 30 years ago in Dian burial grounds. Exhibits include dramatic groups of men and animals, showing scenes of war, dance and celebration. Also on show are weapons, tools, musical instru-

Saleroom/Susan Moore

Getty beats the gong

One of Britain's Dambusters is to keep his medals after all. The late Sir Geoffrey de Boey, who won the RAF's top medal twice over, took his DFC and Bar, Russian Medal of Valour and seven other campaign medals to Sotheby's to sell them in aid of the projected Dam Busters Memorial. It is to be built at Woodhall Spa, Lincolnshire, and unveiled on the anniversary of the Dam Busters' raid in May next year.

Lady Rupert Nevill from Horsted Place in Sussex. Norman Adams Ltd paid £19,900 for a 19th-century mahogany bookcase (estimate £6,000-£5,000) and another London dealer, Piers von Westenholz, acquired an elegantly simple pair of George III serpentine serving tables for £12,100.

CHICAGO Chicago Historical Society: Louis Sullivan, a seminal figure in American architecture, is celebrated in an exhibit in the city he made architecturally famous with newly made models of his buildings along with drawings, sketches and building fragments emphasizing his use of ornament. Ends Dec 31.

CPD 150

Lombard

A Martian view of unemployment

By Michael Prowse

IT WOULD not take an economist from Mars long to identify the gaping hole at the heart of the Thatcher Government's economic strategy. Year after year, he would point out, the Government places an increase in gross domestic product, measured in money terms, which is broadly equivalent to the expected increase in the incomes of those in work. How, he might ask in exasperation, does it expect to reduce unemployment if it has no mechanism for ensuring that wages grow much less fast than money GDP? On present policy, sizable increases in employment are an arithmetical impossibility.

Politics Today: Sinn Fein

When even a little support goes a long way

By Malcolm Rutherford

By Gerry Adams



THERE can have been few party conferences anywhere as electric in atmosphere as that of Sinn Féin, the political wing of the Irish Republican Army, which took place in Dublin last weekend. The party voted by just over the required two-thirds majority to end its policy of "abstentionism" and to seek and take up seats in the Irish Parliament.

On the face of it, it was democratic, peaceful, occasionally humorous and always riveting. Sinn Féin supplies its own security officers; they were noticeably deferential about searching visitors and politeness generally was the order of the day. Mr Gerry Adams, the party President, appearing before his own people emerged as an infinitely more charismatic figure than he has seemed when addressing fringe meetings of the British Labour Party.

At times it was easy to forget that this was what Dr Garret FitzGerald, the Irish Prime Minister, called afterwards a party committed to a "brutal campaign of violence" now seeking to use the ballot-box as well. Yet that was what it was and few speakers made any attempt to hide it. Sinn Féin has not gone pink or turned social democratic. It is a revolutionary movement; now fighting on two fronts: the military and the political.

Indeed the only dissent came from a small group led by a former President, Mr Ruairi O'Bradaigh, which walked out at the end rather than have anything to do with the new electoral strategy. It is Mr Adams's Sinn Féin that is now on top and the strategy had been approved in advance by the majority of the IRA leadership.

There are two main questions: what are the established parties doing well and what are they doing badly? And what, if anything, does it mean for Britain, especially in the context of the Anglo-Irish agreement, the first anniversary of which takes place later this month?

It may be said that the chances of Sinn Féin doing well in elections are remote. The latest opinion poll, taken just before last weekend's conference, gave it 2 per cent of the vote. In March 1987, fighting on an abstentionist ticket, it won four seats in the Irish Parliament or Dail, but that was at a time when feeling on the national question was running extremely high. It won two in 1981 during the famous hunger strike in the Maze. This time, when the strike was over, last year it won 10 seats out of 983 in local elections, or 3.3 per cent of the vote.

The decision to drop abstentionism in the Dail elections may give it a boost, but it is not starting from a position of strength.

Sinn Féin is also hard left in a way that has not proved popular with many Irish voters in the past. Quite how hard left may be illustrated by some of the motions at the conference. Several referred to the need to establish a 32-county (that means all-Ireland) socialist republic. A motion condemning the Polish Solidarity movement as a "counter-revolutionary arm of the US and its Nato allies" was withdrawn only at the last minute.

So was another allying Sinn Féin with Cuba, North Korea, Vietnam, Kampuchea, Afghanistan, Mongolia and Laos. Its neutralism is much more of the pro-Moscow variety than even-handed between Moscow and Washington. It has not quite come down against Irish membership of the European Community, but is coming close to it and is far more hostile to the Single European Act, shortly to go before the Dail. References to the class struggle abound.

As for the party's internal organisation, there is more than a touch of Marxist-Leninism. One motion called for the

immediate expulsion of any member who put forward individual views rather than those of the party. Such discipline does not come naturally to the Irish.

Neither the minuscule size of its present vote, however, nor its hard left stance should lead to Sinn Féin being lightly dismissed. Mr Adams said in his Presidential address that the first serious test of the new strategy will be not in the next general election, but in the one after that. Meanwhile, the party should seek to exercise its influence in other ways.

It is here that Sinn Féin may be on more fertile ground. Indeed there is something in some of its activities that remind one of the community politics of the British Liberal Party; namely, exploiting local grievances. Sinn Féin makes great play of the poverty of some Irish fishermen and Irish farmers and of the deprived inner cities, especially Dublin. Like the British Labour Party, it is also deep into minority issues. It would not be wholly surprising if, by concentrating its resources, it were to win the next seat next time.

Moreover, the nature of Irish politics and the Irish electoral system can make even one seat crucial to whether a govern-

ment stands or falls. The present government survived a motion of confidence last month by only 83 votes to 81. That is not an infrequent event. Just one or two Sinn Féin members could sway the balance.

Yet the more immediate question is the effect of the new strategy on Mr Charles Haughey's anti-abstentionist party. Mr Adams plainly regards Dr FitzGerald as beyond the pale: "the political wing of Mr Thatcher's British army." Mr Haughey's Fianna Fail opposition party has become the traditional repository of the republican vote. The challenge now is whether he seeks to cover his flanks by becoming even more republican or whether he loses support to the out-and-out republicans represented by Sinn Féin. The two are not incompatible.

This is also the question of most interest to Britain, for Mr Haughey could again be Prime Minister after the next Dail election and his support for the Anglo-Irish agreement has been less than 100 per cent.

There are some ways in which he could trim. For instance, he has already been rather more critical of the Single European Act than might have been expected.

What he is doing is playing up Irish nationalism and urging the Community to treat Ireland as a special case. He is also strongly opposed to the British nuclear reprocessing plant at Sellafield on the grounds that it contaminates the Irish Sea. Closure of the plant is another plank in the Sinn Féin programme.

Not least, he could put more emphasis on the use of the Irish language, which is central to what Sinn Féin is demanding. "An English-speaking Ireland," said one delegate at the conference, "cannot be a free Ireland," though a motion to make it mandatory for all new members of the party to attend Irish classes during the six-week probationary period was withdrawn. Greater use of Irish is covered in the Anglo-Irish agreement; there would be no harm in pushing it a bit more. After all, encouragement of the Welsh language has not led to an increase in Welsh nationalism and may even have softened it.

Mr Haughey could also press for some of the other provisions in the agreement to be implemented more rapidly; for instance, a greater say for the Republic in the system of justice in Northern Ireland.

Rate support grants

From the chairman, Finance Committee, Nottinghamshire County Council.

Sir—You report (November 4) Mr Nicholas Ridley, the Secretary of State for the Environment, as saying that many counties have had an increase in rate income from people and businesses moving into their areas so they do not need to put up rates even if their (government) grants are reduced. Under the resource equalisation element of the rate support grant system after a year's delay every £1 increase in rate income is matched by a £1 reduction in government grants. Hence increases in rate income have no significant effect on counties' precept requirements.

It is perhaps misunderstandings by ministers of their own labyrinthine and esoteric rate support grant machinery—once described by Tom King as Europe's most sophisticated, accurate and fair system—that lead them to such false optimism about future rate increases. Michael Cowan, County Hall, West Bridgford, Nottingham.

High house prices

From Mr J. Postling

Sir—John Muellbauer's analysis (23 October) of the effect of mortgage relief and its withdrawal on the economy stacks of naive optimism divorced from reality. Lower interest rates may result from the corresponding reduction in inflation and reduced levels of credit demand, but international factors could keep them high with a devastating effect on existing home owners. First-time buyers would be particularly hit as the prices of their houses fell below the level of their loans, and building societies would not necessarily recoup in full on foreclosure. In these circumstances, wages would come under more not less pressure from anxious mortgagees; house prices would only advantage new buyers, at least in the short term.

I am sceptical that the expected disproportionate fall in prices in London and the south east would be sufficiently large to increase regional mobility to any measurable extent, and many unemployed in the regions are not owner-occupiers. Mobility for house-owners could be better enhanced by reducing the high costs and time delays associated with moving, starting with the abolition of stamp duty.

Not all losses would be paper. Especially in the south east, where the differential between

Letters to the Editor

one house and a slightly larger one is substantial, householders are turning to improvements and extensions instead of moving, thus fueling the building industry with mortgage extensions eligible for relief. This activity would decline dramatically if it were withdrawn.

Mr Muellbauer has ducked the question of how exactly a phased withdrawal, over 3 years, could in practice be achieved. The chosen method would itself have implications eg the abolition of relief at the higher rates as a first step, though equitable, would reduce prices on more expensive property. Or should relief be withdrawn only for new mortgages? Or on lessening capital sums?

As to the political implications of withdrawal, a party brought to power on the back of a policy of house ownership would allude to those who had followed the Prime Minister's advice to buy.

No, the Government is no more likely to agree to a policy of house ownership than it is to issue public health warnings that share prices can fall as well as rise to potential small investors in British Gas. A. Postling, 15 Sudbrooke Road, SW12.

A minimum wage

From the Director, Low Pay Unit.

Sir—David Potts, personnel director of First Leisure Corporation, argues convincingly (November 3) the case for a national minimum wage as proposed by the TUC and Labour Party. He believes that few employers would disagree with the principle that "a decent income is a fundamental objective" of any civilised society. Indeed, he recognises that "developing wages policies that are effective in attracting and retaining capable employees and which provide mechanisms for rewarding ability, flexibility and effort" are positively beneficial.

The leisure industry has an endemic problem of low pay, for which it pays a heavy price in staff turnover and reduced efficiency. The reputation of the industry suffers as a result. It is encouraging to see that management in this sector

recognises the damaging effects of "deregulation" and the spiral of wage undercutting that it has stimulated.

The proposal to phase in the minimum wage over time acknowledges that some industries have come to rely on low wage labour as a form of subsidy. They need time to adjust their operations to a higher level of efficiency and improved rewards for staff. In the long term, responsible firms, customers and staff all stand to gain. Modern industries cannot operate efficiently within a Victorian philosophy of industrial relations. Chris Pond, 9, Upper Berkeley, St. W1.

The people's court

From the Chairman of Council, The Magistrates' Association.

Sir—Mr Hermann in his article of October 30 "Lord Hailsham and the people's court," states that "sitting magistrates and examiners dominate the advisory committees and it seems that the secretary of the committee and its chairman have the decisive say." While it is true that advisory committees are largely composed of magistrates, who are better equipped to judge the suitability of nominees? As to the chairman and secretary having a decisive role, what is Mr Hermann's evidence for this? In my experience of over 12 years as a member of the Lord Chancellor's Essex advisory committee the chairman and secretary have no more influence than any of its members, and in any case it must be appreciated that an objection from any member would prevent the nomination being recommended to the Lord Chancellor.

Mr Hermann quite illogically infers that 47 per cent of cases committed to the Crown Court "being thrown out" by the judge without a trial" says something for the training and experience of the magistrates. Surely he must know that the vast majority of cases committed for trial are committed on written statements without consideration by the magistrates. This fact may say something about the committal procedure but nothing about the training and experience of magistrates.

In the following paragraph there is the misleading statement that the judge alone has sentencing power in the Crown

Court. This does not apply in cases committed for sentence or heard on appeal from magistrates' courts, where the magistrates sitting with the judge have an equal role with him in determining sentence.

Mr Hermann states that it is bad for the authority of the courts and respect for the law that judges are drawn from a narrow social group. I can suggest no remedy for this problem, but does he really wish to aggravate the situation by the appointment of many more stendipendiary magistrates in respect of whom similar criticism would be equally valid? (Dr) D. L. Acres, 28 Fitzroy Square, W.1.

Derelict buildings

From the Financial Director, Glasgow.

Sir—The Prince of Wales's comments on dereliction of housing can be easily paralleled with the dereliction of industrial premises. A significant deterrent to the industrial community in dinner banquets about this is the archaic system of industrial buildings allowances for tax purposes.

For any other class of asset tax allowances are based on the cost of the asset; to the purchaser. For industrial buildings the actual cost to the purchaser of secondhand property is ignored, and the original cost of construction is used instead. This may be an insignificant amount following many years of inflation since the building was first erected. Although tax relief may be available for subsequent refurbishment or enlargement, this may often not be content played when a building is first acquired and the disincentive inherent in the tax system strongly mitigates against the acquisition of older buildings for industrial use. Needless to say there are social consequences in that the centres of employment drift away from such areas, leading to a general spiral of decline.

The Chancellor would do well to address this long standing taxation anomaly in his next budget if he wishes to combine social benefits with a much needed piece of help for the business community. Duncan Heenan, Ashchurch, Tewkesbury, Glas.

Dying to please

From Mr E. Troup

Sir—In the heady days before Big Bang when British Rail was still "getting there" the music played by BR at the Waterloo end of the Waterloo and City Line was cheerful and innocuous. On November 4, it was playing the Liebestod from Wagner's Tristan and Isolde. What does this mean? Edward Troup, 14 Dominion Street EC2.



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Murdoch may buy stake in Hong Kong newspaper

BY DAVID DODWELL IN HONG KONG

MR RUPERT MURDOCH, the Australian-born media entrepreneur whose newspaper and broadcasting interests span Australia, the US and the UK, is expected to announce today the acquisition of a controlling stake in Hong Kong's South China Morning Post in a deal that is unlikely to give him much change out of HK\$1bn (US\$128.2m).

The South China Morning Post (SCMP), reputed to be one of the most profitable newspapers in the world, is currently controlled by the Hongkong and Shanghai Banking Corporation (48 per cent), Hutchison Whampoa, the trading group (25 per cent), and Dow-Jones, the US media group (19 per cent).

Mr Murdoch is expected to emerge from the deal with a shareholding equal to that of the other three main shareholders combined - just under 40 per cent - with most of his holding coming from Hutchison and Hongkong Bank.

The acquisition raises questions about Mr Murdoch's business strategy in Asia, but equally important, it raises questions about the intentions of Mr Li Ka-shing, who controls Hutchison, and recently acquired a 4.99 per cent stake in Pearson of the UK, whose interests include the Financial Times.

Dealing in SCMP shares will be suspended on the Hong Kong Stock Exchange this morning at the company's request, and a formal announcement about the deal is expected later in the day.

In what is likely to be a two-phase transaction, Mr Murdoch is understood to be paying an average in the region of HK\$75 per SCMP share - which values the group at about HK\$2.4bn.

There has been speculation about a takeover of the SCMP for many months. In autumn last year, the Financial Times held discussions on a possible purchase, but these floundered when Hongkong Bank rejected an offer of HK\$60 a share.

The newspaper group earned profits after tax in the year to June 30 1986 of HK\$185m. Apart from publishing the South China Morning Post newspaper, Hong Kong's leading English-language newspaper, and the Far Eastern Economic Review, the weekly magazine, it has interests spanning commercial printing, book distribution and film setting.

Of greatest interest to Mr Murdoch, however, will be the completion in January 1987 of new printing presses that will be able to complete the newspaper's existing daily print run, averaging 62,000 in an hour and 10 minutes.

The disposal by Li Ka-shing of a substantial proportion of his holding in the SCMP is expected to fuel speculation over his corporate plans. He is seen by many as Hong

three main groups together are capitalised in the Hong Kong Stock Market at about HK\$2bn - about 15 per cent of Hong Kong's total market capitalisation.

The fact that he has in recent months been accumulating substantial funds - now close to HK\$4bn - by means of disposals and placements has convinced many analysts that a takeover is being hatched.

He recently attracted international attention when he acquired through Hutchison a 4.99 per cent holding in Pearson at a cost of about HK\$550m. A signal that he was interested in building up his stake has been received frostily by Pearson, although discussions are currently in progress on areas of possible collaboration between Pearson and Hutchison.

Hongkong Bank's decision to sell shares to Mr Murdoch comes after more than a year of flat denials that it is willing to consider any offer.

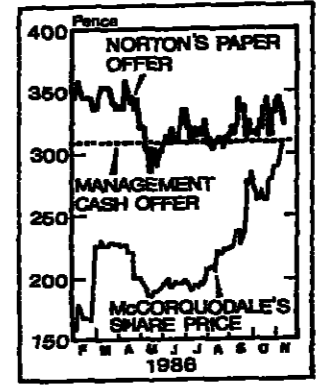


Mr Rupert Murdoch: eyes on Asia

Kong's most successful entrepreneur, controlling Hutchison Whampoa, Hongkong Electric, the utility group, and a number of smaller companies, through his holding company Cheung Kong. These

THE LEX COLUMN

Autumn gold in Whitehall



The gilt-edged market got in a fine old muddle with the Autumn Statement. The market was even edgier when the implications of the Chancellor's speech started coming through in all their garishness. Even so a net loss of only 1/4 point on the day is not bad going.

If this year is any guide, a £34bn contingency reserve may not last long, and next year's departmental spending increase will exceed this year's PSBR.

Perhaps the market is in election mood. Abandoning fiscal restraint to the monetary side and exploiting a consumer credit boom for all the tax it's worth may not promise much for inflation and the current account 18 months away, but it may help win an election next summer. Now if sterling were not so robust...

about half the level of \$4.80 a barrel enjoyed in the second quarter, and to judge from the company's rather gloomy statement, have fallen further. Some in the City quite underestimated the pressure on margins: the fall of 11p to 94 3/4p in Shell shares - and a knock-on 3 per cent fall in BP stock - is belated recognition.

The market's failure to anticipate that the exploration costs would be £120m higher than those of the previous quarter is a more excusable miscalculation. The cause - abandonment of what were previously economic projects - is not really a trading issue.

In the US upstream, Shell has actually reported a loss, although the figure has been pushed into the red only by the continued amortisation of the excess over book value paid for the Shell Oil minority in 1984.

If Shell were to produce earnings like this every quarter next year, then the shares are on a multiple of about 13 times 1987 earnings, which looks a bit steep. Yet the company has still managed to generate a cash surplus of over £200m in this weakest quarter of the year so far. What a monster.

day's interim statement of what happened or why. Apparently it is such an everyday part of the business that no explanation was considered necessary.

The episode shows just how low quality merchant bank earnings are. As they comprise, even after a downturn in the half-year, 50 per cent of Hill Samuel's after-tax profits, it is not surprising the group's p/e is low.

The rise in total profits from £17.5m to £10.2m admits that at least some of the other parts are doing nicely, helped by acquisitions.

The first-half was supposed to be the merchant banks' last chance of making big money. The second will depend on the costs involved in preparing for Big Bang starting or failing to earn a return.

If Hill Samuel makes £50m for the year, up from £40m, the prospective p/e is a lovely 7x, with the shares down 5p to 394p. The yield, around 5 1/2 per cent, and bid speculation are all that supports the shares.

M&G

The M&G share price has held very firm in the month since Kleinwort Benson revealed that it was to sell its stake in the company. It is odd that the prospect of greatly increased supply of stock should cause the price to rise - a fact which may lie behind the decision to offer the shares at a welcoming 9 per cent discount to the prevailing market price. Perish the thought that Cazenove's recent misfortunes in the new issue market have caused the tigers of Tokenhouse Yard to blink. The underwriting period is about twice as long as normal, to give M&G's underwriters every chance to apply: this too may have given some bargaining power to the sub-underwriters.

Still and all, the shares are by no means cheap, at 20 times earnings for the year to September. The pre-tax profit growth of 53 per cent is impressive, but not out of line with what is being reported by a highly valued sector in which M&G commands a premium rating. M&G's shares of the unit trust market will probably continue to decline, but the market itself is growing rapidly enough for that: not to be a major concern. Meanwhile, M&G has more room than its competitors to increase profitability by putting up charges.

Hill Samuel

Investment banking is a volatile business. The odd million or two can be made or lost, here or there, in the twinkling of an underwriting. In September, Hill Samuel lost roughly £2m on the indemnity it gave to certain AE shareholders, as part of the defence against the Turner & Newall bid, partially offset by the fee earned on much hard work.

But despite the surrounding publicity, Hill Samuel shareholders were offered no inkling in yesterday's interim statement of what happened or why. Apparently it is such an everyday part of the business that no explanation was considered necessary.

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Threat to UK plan for lower air fares

By Tim Dickson in Brussels

BRITISH EFFORTS to achieve lower European air fares through greater competition among EEC airlines are in danger of being thwarted by France and West Germany.

Mr John Moore, Britain's Transport Minister, is understood to be furious that French and German officials now appear to be going back on what he felt were clear political commitments made at last month's informal meeting of EEC transport ministers in London.

These officials privately admit that they are coming under severe pressure from Air France and Lufthansa to hold out against the relatively modest degree of air transport liberalisation being sought by Britain, currently holding the presidency of the EEC.

EEC transport ministers meet formally in Brussels on Monday in what is likely to prove a crucial test of positions on the latest British compromise proposal.

In essence Britain has been saying that it is prepared to accept a three-year "group exemption" for airlines against application of the Community's competition policy, provided member states agree significantly to ease the current restrictions on discount and off-peak fares.

On capacity sharing, Britain's position is that member states should agree to sanction divisions of no more than 55/45 for the first two years, followed by 60/40 for the third year.

West German and French officials insist that while their governments concede there is some flexibility in their own preferred 55/45 approach, they have made no commitment to an ultimate 60/40 division and do not intend to do so. The difficulty for Britain is that any decision must be unanimous and the Netherlands, the member state which along with the UK and Ireland is most in favour of liberalisation, is likely to adopt a tough stance against any further compromise on Monday.

GM will close 11 US plants to cut capacity

BY CHARLES HODGSON IN NEW YORK

GENERAL MOTORS, the largest US car maker, yesterday announced plans to close 11 assembly and metal manufacturing plants employing 28,000 workers over the next few years.

Mr Robert Smith, GM chairman, said the closures would result in fixed-cost savings of \$500m a year and would create "a trimmer and more competitive company."

The move is the latest and most significant step in GM's restructuring programme and follows several years when the company has been facing increasingly fierce competition from Ford and Chrysler, its main rivals in the US car markets.

Mr Smith said that the decision to close the 11 operations was the first phase of GM's "reorganisation and modernisation programme" and that a decision would be taken at a later date on the future of other assembly, stamping, engine and component facilities. The operations covered by yesterday's closure announcement are in Michigan, Ohio, Illinois and Missouri.

GM, which last year had about 42 per cent of the US car market, has long been hampered by excess production capacity and soaring manufacturing costs. Many analysts feel that the company has been slower than some of its rivals to adjust to the more competitive US car market.

GM gave warning last month, when reporting a \$338.5m third-quarter operating loss, that production cuts would have to be done.

However, Mr Smith stressed yesterday that GM had "turned the corner" and was beginning to realise the benefits of a \$100m plant modernisation programme, begun in the late 1970s. A partial result of that programme was the closure of operations that had become redundant with the construction of six new plants and the refurbishing of 12 others.

Mr James McDonald, GM president, said that work carried out at the plants to be closed would be consolidated at other GM plants. He said that most of the closures had been previously announced in connection with the construction of replacement plants.

Yesterday's announcement follows an earlier decision by GM to cut 25 per cent of its salaried workforce by 1989 to reduce costs and increase competitiveness.

Mr McDonald said that the company would make a major effort to cushion the impact of the closures on the workers affected. A spokesman for the United Auto Workers Union said that the union had been consulted by GM before the announcement. Some of the employees would have transfer rights to other GM plants or would benefit from retraining programmes operated by the company.

Analysts said it was difficult to assess the impact of the plant closures on GM's capacity, since some of the production would be transferred to the newer plants. Mr Philip Fricks, an analyst with Goldman Sachs, said that GM currently has capacity to produce about 7.2m cars,

Kohl gives Reagan backing on Star Wars

By David Marsh in Bonn

MR HELMUT KOHL, the West German Chancellor, yesterday strongly defended President Ronald Reagan for refusing to give up research and development on the Strategic Defence Initiative (SDI) programme. He also clung on to the hope of super-power agreements on reducing nuclear and chemical weapons - despite the failure of arms talks in Vienna yesterday.

In a sometimes noisy session in the Bundestag (parliament) yesterday, Mr Kohl was forced again to apologise for the "impression" created in an interview with the US magazine Newsweek that he had insulted Mr Mikhail Gorbachev, the Soviet leader.

He also spelled out plans for a new phase of intensified defence co-operation with France. Both France and Spain - although outside the integrated military command structure of Nato - would have to participate in forthcoming East-West talks on reducing conventional forces in Europe, he said.

Stating that "on no account should a conventional war now be deemed feasible and more probable in Europe," Mr Kohl underlined his administration's view that possible US-Soviet nuclear arms cuts would have to lead to efforts to reduce the Soviet Union's conventional military superiority in Europe.

Mr Kohl came under strong attack from Mr Hans-Joachim Vogel, leader of the opposition Social Democratic Party (SPD) parliamentary grouping. Mr Vogel said the Chancellor had "disqualified himself as a responsible politician" by indirectly comparing, in the interview, the Soviet leader with Joseph Goebbels, Hitler's propaganda chief.

Newsweek last night added to Mr Kohl's embarrassment by playing to journalists his recording of the interview, proving conclusively that Mr Kohl had been correctly quoted by them.

Mr Vogel, seizing on obvious discomfort in the government ranks over the affair, said Mr Kohl had shown a gap in his understanding of history. The interview and the subsequent diplomatic flurry with the Moscow Government had been both damaging and humiliating, he said.

Mr Vogel, who also criticised the Christian Democrat (CDU)-led Government's alleged inconsistencies over disarmament, was sporadically interrupted by angry outbursts from conservative deputies, one of whom was claimed to have called out that Goebbels was a Socialist.

Mr Kohl, who has been frequently under attack from the SPD in recent months for his unstinting defence of US policies on arms control, yesterday put an optimistic gloss on the US-Soviet talks in Reykjavik last month.

Giving the Bundestag a report on his talks with President Reagan in Washington a fortnight ago, Mr Kohl said he believed four separate arms limitation agreements would be possible in the near future.

These would involve an accord to cut arsenals of intermediate range nuclear missiles, with separate talks to focus on reducing and setting upper limits on short range Soviet missile systems in Europe.

Additionally, Mr Kohl believed agreement was possible on reducing all strategic weapons world-wide and limiting nuclear arms tests in line with existing controls.

Mr Kohl, who is relying on continued momentum in East-West talks to boost his party's showing in the January general elections, admitted that the so-called "zero-option" on eliminating intermediate nuclear forces in Europe would only be quickly realised if the Soviet Union gave up its insistence on a "package deal" linking defensive systems as well.

Shell

Shell has finally produced the sort of figures which give a true indication of what \$15 oil really means for the company. While the first-half replacement-cost earnings were distorted favourably by the lagging of retail prices behind the fall in wholesale prices, the third quarter is the real McCoy.

European refining margins were

Norton Opax

The slapping down of bids on the table for McCrorquodale was so frenzied yesterday that the noise was like poker night at the Last Chance. And McCrorquodale shareholders might consider their position now as players in a risk game.

Highest risk of all must be accepting the highest offer, Norton Opax's share swap worth 322p at last night's closing price for Norton of 138p, down 8p. It is hard to believe that if that bid were successful the shares could possibly stick at that price. Norton's share count would rise from 32.1m to 141.9m. An overhaul of stock is hardly a worthy description of the aftermath.

So shareholders can choose between 303.5p in cash from Norton or 310p from the McCrorquodale management buyout. It is not quite so clear cut as it looks because the Norton offer will close first. McCrorquodale shareholders, like those who have recalled earlier acceptance of the Norton offer, should wait until the last moment of the first offer to decide.

India offers amnesty on secret funds

By K. K. Sharma in New Delhi

THE INDIAN government yesterday announced an amnesty for all Indian companies and individuals who voluntarily declare their secret financial interests overseas. The scheme aims both at building up foreign exchange reserves and luring visitors of laws opt for honesty.

The amnesty scheme was announced to parliament by Mr V.P. Singh, Finance Minister. He said it had been formulated in the spirit that guided the Government to announce recent voluntary disclosure schemes for income tax and indirect taxes.

The Indian Government recently stepped up raids on Indian businessmen and others suspected of illegal foreign exchange dealings. At least two senior industrialists were among those arrested and one of them was pardoned earlier this month when he confessed to violations of the foreign exchange regulation act and apologised to the Government.

The violations were mainly in respect of equity interests in overseas joint ventures or equity interests in subsidiaries or overseas affiliates. All these need prior approval of the Reserve Bank.

Under the new scheme, the Government has invited all Indian companies and nationals with foreign interests, bank balances, assets and holdings overseas to declare them to the Reserve Bank of India by March 1987.

Japanese to build copier plant in W. Germany

BY DAVID THOMAS IN LONDON

ANTI-DUMPING duties on imported Japanese photocopiers have led to another Japanese company setting up a factory in Europe.

Konishiroku Photo Industry, the camera, film and copier company, yesterday gave the EEC's duties as a reason for building a copier plant in Lüneburg, Lower Saxony, West Germany.

Konishiroku's decision is the latest sign that the duties will lead to a big increase in Japanese copying capacity in Europe.

When the European Commission imposed provisional anti-dumping duties of up to 15.8 per cent in August, Japanese copying companies vigorously denied that they were dumping. The duties last initially for four months.

Konishiroku's new factory will start producing next year. It will be making 18,000 copiers a year at first, rising after one year to 20,000, with about half the content produced in Europe.

Sony plans Italian plant, Page 4

Lawson's spending rise

Continued from Page 1

a pound used in higher public expenditure is a pound not available for reductions in taxation," Mr Lawson said.

The comment was seen in Whitehall, however, as the traditional attempt to downplay expectations ahead of next spring's budget. Despite concern among some of the Treasury's most senior economic advisers that the Government should reduce borrowing next year, the Government is widely expected to opt for sizeable tax cuts.

Expectations in the City of London that Mr Lawson would still find room for a reduction in the basic rate of income tax were reinforced by the Chancellor's announcement that non-oil revenues were now running £20m ahead of his budget forecast. That more than offsets an expected overrun in public spending during the current year of £14bn.

In financial markets, sterling reacted favourably to the statement as investors took the view that it would boost the Government's chances of winning an early general election. Among economic analysts, however, his relatively upbeat economic forecasts were greeted with deep scepticism.

Mr Lawson, however, said that the higher spending was consistent with the Government's declared aim of reducing public spending as



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World Weather

Area	Temp	Wind	Cloud	Precip	Area	Temp	Wind	Cloud	Precip
Africa	18-24	10-15	1-4	0.0	Asia	15-22	10-15	1-4	0.0
Algeria	18-24	10-15	1-4	0.0	Bangkok	24-30	10-15	1-4	0.0
Amman	18-24	10-15	1-4	0.0	Bombay	24-30	10-15	1-4	0.0
Algiers	18-24	10-15	1-4	0.0	Calcutta	24-30	10-15	1-4	0.0
Antananarivo	18-24	10-15	1-4	0.0	Chennai	24-30	10-15	1-4	0.0
Asmara	18-24	10-15	1-4	0.0	Colombo	24-30	10-15	1-4	0.0
Beijing	18-24	10-15	1-4	0.0	Dhaka	24-30	10-15	1-4	0.0
Bombay	24-30	10-15	1-4	0.0	Delhi	24-30	10-15	1-4	0.0
Buenos Aires	18-24	10-15	1-4	0.0	Dhaka	24-30	10-15	1-4	0.0
Caracas	18-24	10-15	1-4	0.0	Guwahati	24-30	10-15	1-4	0.0
Cairo	18-24	10-15	1-4	0.0	Hyderabad	24-30	10-15	1-4	0.0
Calcutta	24-30	10-15	1-4	0.0	Jaipur	24-30	10-15	1-4	0.0
Chennai	24-30	10-15	1-4	0.0	Kolkata	24-30	10-15	1-4	0.0
Colombo	24-30	10-15	1-4	0.0	Lahore	24-30	10-15	1-4	0.0
Dhaka	24-30	10-15	1-4	0.0	Manila	24-30	10-15	1-4	0.0
Delhi	24-30	10-15	1-4	0.0	Medan	24-30	10-15	1-4	0.0
Dhaka	24-30	10-15	1-4	0.0	Osaka	15-22	10-15	1-4	0.0
Guwahati	24-30	10-15	1-4	0.0	Seoul	15-22	10-15	1-4	0.0
Hyderabad	24-30	10-15	1-4	0.0	Singapore	24-30	10-15	1-4	0.0
Jaipur	24-30	10-15	1-4	0.0	Taipei	15-22	10-15	1-4	0.0
Kolkata	24-30	10-15	1-4	0.0	Tokyo	15-22	10-15	1-4	0.0
Lahore	24-30	10-15	1-4	0.0	Yokohama	15-22	10-15	1-4	0.0
Manila	24-30	10-15	1-4	0.0					
Medan	24-30	10-15	1-4	0.0					
Osaka	15-22	10-15	1-4	0.0					
Seoul	15-22	10-15	1-4	0.0					
Singapore	24-30	10-15	1-4	0.0					
Taipei	15-22	10-15	1-4	0.0					
Tokyo	15-22	10-15	1-4	0.0					
Yokohama	15-22	10-15	1-4	0.0					

INTL. COMPANIES and FINANCE

False teeth shine bright in Japan

BY THE early part of the next century, the false teeth market in Japan should be as big as today's motor market, according to Mr Noboru Makino, chairman of the Mitsubishi Research Institute (MRI), Japan's largest private think tank.

This startling forecast is based partly on the premise that the Japanese are becoming more conscious of dental care, but mainly on the knowledge that the population is ageing rapidly.

Life expectancy is now 74.54 years for men and 80.18 years for women. MRI expects that by 2050, the Japanese population over 65 will account for 20 per cent of the total, almost double the 10.3 per cent at present. But while people are living longer, human teeth will continue to have an average service life of only about 50 years.

All of this has not escaped the attention of Japan's ever restless manufacturers. Now stymied in their export drives, they are being encouraged to develop products that appeal mainly to the domestic market. And economists have been gesticulating in particular that they look for products that would appeal to the rapidly growing numbers of old people.

The false tooth market looks made to order. MRI calculates that even if each household buys only one artificial tooth, the market would be worth ¥10,000bn (\$62.5bn) a year.

Industry forecasts indicate that the market could swell to ¥30,000bn, compared with a car market currently valued at ¥24,000bn.

Prominent among the companies that have got into this business already are those that have specialised in ceramics, such as Kyocera, Asahi Optical and Sumitomo Chemical. And their strategy has been to enter by developing new products.

The biggest problem associated with false teeth has been atrophy of the lower jawbone. Appliances fixed to the gum surface allow the jawbone to

joined the market in 1984, with the introduction of a new material, Apaceram, made from hydroxy-apatite, for artificial dental roots. Apaceram is not as strong as Bioceram, a glass type of ceramic, but it has the same composition as human bones and so is able to function as living tissue.

It encourages the redevelopment of bone tissue between the tooth roots, so that eventually the jawbone and the artificial roots knit together.

Apaceram is the fruit of a joint research and development project done with the

Yoko Shibata on the prospects for a market serving a growing elderly population

shrink so that soon the tooth no longer fits properly. Thus, this kind of tooth usually has to be replaced after two or three years.

The answer was an artificial tooth root, which first appeared on the market in 1979. An artificial bone is embedded into the jawbone, and becomes the base on to which the crown is fixed.

Kyocera, the world's largest maker of integrated circuit ceramic packages, introduced in 1979 an alumina-based ceramic dental root together with ceramic bone. It claims that 70,000 patients have installed them already.

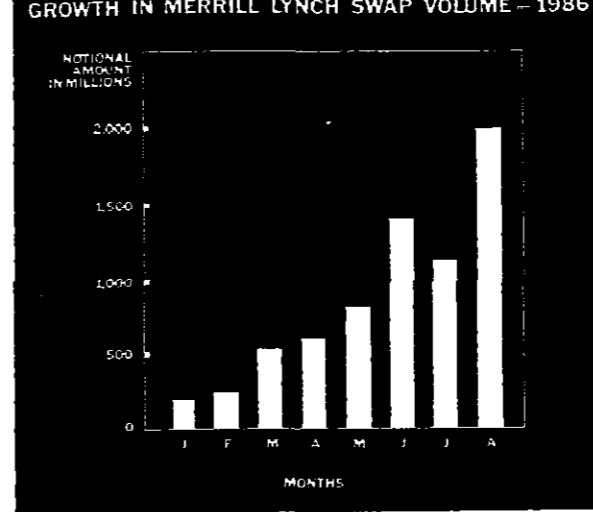
Asahi Optical, known best as the maker of Pentax cameras,

Tokyo Medical and Dental University with funding from the Government's Research Development Corporation of Japan.

A technique for coating metal with apatite and bioglass has been developed independently by Nippon Kohaku, the maker of Nikon cameras, and Sumitomo Chemical. Artificial teeth made in this fashion are safe from the rejection problems. Indeed, bone and tissue grow on it. Its material has been clinically tested at many universities, including the University of Florida, and both companies are hoping to release it for general use next year.

Sumitomo Chemical claims that its method, using plasma

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JAL chairman under fire as profits decline

BY CARLA RAPOPORT IN TOKYO

MR JUNJI ITOH, the chairman of Japan Air Lines, is riding through a rough patch of turbulence at the moment.

Japan's flag carrier yesterday reported that profits for the first half of the year dropped by more than 50 per cent, largely because of the effects of the high yen and the continued plunge in domestic traffic following last year's crash of a JAL Boeing 747. Nonetheless, it was the company's chairman, not its profits, that was making the news yesterday.

Mr Itoh — also chairman of Kanebo, the cosmetics group — was openly criticised by Mr Ryutarō Hashimoto, the Trans-

port Minister, this week for his allegedly unkind treatment of some of JAL's employe unions. Further, MoT officials themselves have become irritated with Mr Itoh for his alleged failing to inform government officials of his whereabouts during the working week.

The move is an extremely unusual one for Japan, as Mr Itoh had been recommended for the JAL job by Mr Yasuhiro Nakasone, the Prime Minister, following last year's crash. JAL, which is 94.5 per cent owned by the Government, has been targeted for privatisation next year. As a result, government officials are keen to have

management-employee relations running smoothly.

According to industry officials, Mr Itoh had given promotions to some members of left-leaning labour unions within JAL. This had irritated more moderate unions, which in turn protested to leading politicians.

Mr Itoh yesterday said he would endeavour to keep his Kanebo and JAL activities separate and would work with other senior JAL officials on schemes for restructuring the company in preparation for privatisation.

Meanwhile, JAL's results for the six months to September show turnover down by 11 per

cent to ¥400.8bn (\$2.4bn) while pre-tax profits halved to ¥10.5bn from ¥21.5bn last year. Net earnings for the period were 79 per cent down at ¥1.9bn.

The company forecasts pre-tax profits for the full year of ¥600bn, compared with losses of ¥1.6bn last year. Sales are expected to drop to ¥708.4bn, compared with ¥823.9bn.

"All in all, JAL is preparing for the upcoming complete privatisation of its operations with unprecedented efforts to strengthen all phases of corporate management," the company said yesterday.

Brasilest S.A.

Net asset value as of 31st October, 1986

per Cr\$ Share: \$0,794.281

per Depository Share: U.S.\$38,177.77

per Depository Share: (Second Series) U.S.\$18,947.79

per Depository Share: (Third Series) U.S.\$16,124.80

per Depository Share: (Fourth Series) U.S.\$18,063.99

Hitch for Feltex Email bid

BY ROBERT KENNEDY IN SYDNEY

FELTEX New Zealand's A\$400m (US\$257m) Cr\$ offer for Email, Australia's dominant white goods manufacturer, suffered a setback yesterday when the Canberra Trade Practices Commission raised objections to the proposal.

Mr Bob McComas, commission chairman, told Feltex it believed that an acquisition of the company by Feltex would contravene Australian law because Feltex would be in a position to dominate the supply

of white goods products, mainly refrigerators and freezers.

The commission believes an association exists between Feltex and a New Zealand white goods group, Fisher and Paykel, because of a common shareholding link through Equitcorp Holdings, the aggressive investment company.

The pronouncement came at the eve of Feltex's intended despatch of takeover documents to Email shareholders.

JAPANESE RESULTS

SANKYO Pharmaceuticals

Half-year to	Sept '86	Sept '85
Revenue (bn)	128	128
Pre-tax profit (bn)	13.44	11.87
Net profit (bn)	4.89	4.30
Net per share	16.53	14.95
Dividend	3.75	3.75

PARENT COMPANY

SUMITOMO ELECTRIC INDUSTRIES

Half-year to	Sept '86	Sept '85
Revenue (bn)	281	284
Pre-tax profit (bn)	10.11	9.63
Net profit (bn)	5.79	5.77
Net per share	8.50	8.37
Dividend	3.30	3.50

PARENT COMPANY

This announcement appears as a matter of record only.

THE ROYAL BANK OF CANADA

C \$102,000,000

3,000,000 Common Shares

Price: C \$34.00 per share

McLeod Young Weir Limited **Gordon Capital Corporation**

October 1986

Shawmut Corporation

U.S. \$50,000,000

Floating Rate Subordinated Notes Due 1997

Notice is hereby given that the Rate of Interest has been fixed at 6 3/4% and that interest payable on the relevant Interest Payment Date February 9, 1987 against Coupon No. 8 in respect of US\$10,000 nominal of the Notes will be US\$166.46.

November 7, 1986, London
By: Citibank, N.A. (CSSI Dept.), Agent Bank

CITIBANK

FIRST CHICAGO CORPORATION

US\$200,000,000 Floating Rate Subordinated Capital Notes Due 1997

Notice of Rate of Interest

Notice is hereby given that the rate of interest on the Floating Rate Subordinated Capital Notes due 1997 (the "Notes") issued by First Chicago Corporation for the interest period commencing November 7, 1986 and ending on February 9, 1987 has been determined to be 6 1/4 per cent per annum. The interest payment date for such interest period is February 9, 1987. The interest amount, i.e. the amount of interest payable in respect of each US\$10,000 principal amount of Notes, for such interest period is US\$163.19.

CHEMICAL BANK
As Agent Bank for
First Chicago Corporation.

Notice of Redemption
US \$150,000,000
Floating Rate Depository Receipts due 1991

BANCO DI ROMA
(Incorporated as a Società per Azioni in the Republic of Italy)
London Branch

NOTICE IS HEREBY GIVEN that pursuant to Condition 4(b) of the Receipts Banco di Roma has elected to redeem on December 9, 1986 (the "Redemption Date") all of its outstanding Floating Rate Depository Receipts due 1991 (the "Receipts") at a redemption price equal to the principal amount thereof plus interest accrued to the Redemption Date. On and after the Redemption Date, interest on the Receipts will cease to accrue. The Receipts should be presented and surrendered to the paying agents as shown on the Receipts on the Redemption Date with all interest coupons maturing subsequent to said date. Coupons due December 9, 1986 should be detached and presented for payment in the usual manner.

November 7, 1986
By Citibank, N.A. (CSSI Dept.)
London, Principal Paying Agent

CITIBANK

GRANVILLE SPONSORED SECURITIES

High	Low	Company	Price	Change	Div. (p)	Yield	P/E	Fully
148	118	Ass. Brit. Ind. Ord.	134	-	7.5	5.4	8.2	7.7
161	121	Ass. Brit. Ind. CULS	136	-	10.0	7.4	-	-
46	25	Armstrong and Rhoads	38	-	4.2	10.8	5.5	5.0
71	67	BBS Design (USM)	68	-	1.4	2.1	16.2	16.2
202	108	Berdoo Hill	202	-	4.6	2.3	23.0	21.0
88	42	Bry Technology	88	+1	4.3	4.8	10.4	9.5
201	75	CCL Ordinary	110	-	2.9	2.6	7.8	12.2
152	86	CCL 11pc Conv. Pt.	100	+1	15.7	15.7	-	-
256	80	Carborundum Ord.	255	-	9.1	3.8	12.3	12.6
94	83	Carborundum 7.5pc Pt.	83	+1	10.7	11.5	-	-
32	20	Fredrick Parker Group	22	-	-	-	-	-
125	20	George Blair	22	-	1.8	4.1	2.4	2.4
96	20	Ind. Fraction Castings	95	-	6.7	7.1	8.5	8.4
218	152	Isla Group	152	-	18.3	12.0	8.7	6.8
128	101	Jackson Group	128	-	6.1	4.8	8.7	7.8
377	228	James Burrough	368	-	17.0	4.8	10.3	9.4
100	95	James Burrough SpCP	94	-	12.8	13.7	-	-
1036	342	Multihouse NV (AMS)	810	-	-	-	42.5	55.3
380	280	Record Ridgway Ord.	379	-	-	-	8.8	11.7
100	87	Record Ridgway 10cpPt	87	-	14.1	16.2	-	-
90	32	Robert Jenkins	90	-	-	-	3.7	5.3
38	28	Scrutton "A"	36	-	-	-	-	-
127	85	Torday and Garfield	127	-	6.7	4.5	7.7	7.8
570	320	Travis Holdings	322	-	7.9	2.5	6.7	8.8
70	26	Unilock Holdings (SE)	67	-	2.8	4.2	12.3	11.8
102	47	Water Alexander	98	+1	5.0	5.1	8.4	9.0
228	150	W. S. Yuste	197	-	17.4	8.8	18.7	21.9
98	67	W. Yorks. I. H. (USM)	98	-	5.6	5.8	13.7	13.7

Granville & Company Limited
8 Lower Lane, London EC3R 8EP
Telephone 01-621 1212
Member of FIMBRA

Granville Davis Coleman Limited
27 Lower Lane, London EC3R 8DT
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Standard Chartered

Standard Chartered PLC
(Incorporated with limited liability in England)

US\$300,000,000 Undated Primary Capital Floating Rate Notes (Series 2)

In accordance with the provisions of the Notes, notice is hereby given that for the six months period (181 days) from 7th November, 1986 to 7th May 1987 the Notes will carry interest at the rate of 6 1/4 per cent. per annum.

The interest payment date will be 7th May 1987. Payment, which will amount to US\$314.24 per US\$1,000 Note and US\$157.18 per US\$50,000 Note, will be made against surrender of Coupon No. 3.

Standard Chartered Merchant Bank Limited
Agent Bank

SPAREKASSEN SDS

Sparekassen SDS
(A savings bank established under Danish Banking Law)

ISSUE OF UP TO U.S. \$75,000,000

FLOATING RATE CAPITAL NOTES DUE 1991

U.S. \$40,000,000 HAVING BEEN ISSUED AS THE INITIAL TRANCHE AND U.S. \$20,000,000 HAVING BEEN ISSUED AS A SUBSEQUENT TRANCHE

For the period from November 7, 1986 to February 9, 1987 the Notes will bear interest at 6 1/4 per cent. per annum. US\$1,599.31 will be payable on February 9, 1987 per \$100,000 nominal amount of notes and will be paid in accordance with the terms of the Global Note.

By: The Chase Manhattan Bank, N.A.
London, Agent Bank
November 7, 1986

CHASE

INTERNATIONAL CAPITAL MARKETS and COMPANIES

Queue forms for BankAmerica unit

FOR SALE: Medium-sized Italian bank subsidiary of big US banking group...

among those currently eyeing the bank are Citicorp, the US bank which already controls a small regional bank based in Naples...

Many suitors have expressed an interest in Banca d'America e d'Italia, including Mr Gianni Agnelli and Mr Carlo De Benedetti.

Offers have been pouring in ever since word first leaked out at the end of the summer that the troubled BankAmerica group was considering the sale of its 67-year-old Italian subsidiary...

level of American Express cards in circulation in Italy. Fourth, BAI has about 50 per cent of its loan book in middle market corporate finance and a Luxembourg subsidiary which is active in foreign currency lending to medium-sized Italian companies.

Citicorp issues perpetual FRN

By Peter Montagnon, Euromarkets Correspondent

CITICORP yesterday became the first US bank to issue a perpetual floating rate note (FRN) in the Euromarkets with a \$500m issue led by Goldman Sachs.

The Fed's initial decision did not lead to a rush of issues because interest paid on such borrowings would not normally be tax deductible.

Province of Alberta gets dealers' thumbs-up

BY HAIG SIMONIAN

THE Province of Alberta's introduction to the Euromarkets kept dealers busy yesterday, with a \$750m straight issue—quickly increased from \$500m and a \$500m floating rate note.

As expected, Sankyo Aluminium Industry followed Wednesday's Eurodollar debut with a SF750m 1992 par priced convertible issue led by Banca della Svizzera Italiana.

Japan limits private bond deals

BY YOKO SHIBATA IN TOKYO

JAPANESE BANKS and securities houses have reached agreement on new rules to limit the private placement of bonds by non-resident borrowers.

market were not permitted to tap the private market. In the January-June period, private placements totalled ¥14.5tn (\$863m), or 37 per cent of the volume of public bond issues during the same period.

NORTH AMERICAN QUARTERLY RESULTS

Table with columns for company names (Staley Continental, Whelan-Fittsborough, Triangle Industries, Wm. Wright, Wendy's) and financial data for 1986 and 1985.

Salomon sees big rise in US corporate earnings

BY TERRY BYLAND

A CONTINUING climate of disinflation, featured by further modest falls in US interest rates and further restructuring of the industrial and financial sectors, is the near-term view of Salomon Bros.

US industry, he said

Salomon's earnings projections are more optimistic than those of some of their Wall Street rivals. Mr Salomon expected the restructuring of major sectors of US business, which has featured sell-offs of real estate and other tangible assets by major companies, to provide them with substantial leverage at the level of operating profits.

FT INTERNATIONAL BOND SERVICE

Listed are the 200 latest international bonds for which there is an adequate secondary market. Closing prices on November 6.

Table listing international bonds with columns for issuer, amount, maturity, and price.

This advertisement complies with the requirements of the Council of The Stock Exchange. It does not constitute an invitation to subscribe for or purchase any securities.

Morgan Guaranty Trust Company of New York

U.S. \$100,000,000 7.25% Deposit Notes due 1991

- List of participating banks and financial institutions including Algemene Bank Nederland N.V., Bank of Tokyo International Limited, Bankers Trust International Limited, etc.

\$200m credits for DSM and Rhone-Poulenc

By Our Euromarkets Correspondent

RHONE-POULENC, the French chemicals concern, has launched a \$200m seven-year loan facility in the Euromarkets under the leadership of Societe Generale.

CONVERTIBLE

Table listing convertible bonds with columns for issuer, amount, maturity, and price.

The deal carries an annual facility fee of 4 basis points and will allow Rhone-Poulenc to sell short-term paper either in the form of Euronotes with a tender panel auction system or as commercial paper sold directly by itself or through designated dealers who have yet to be appointed.

Straight Bonds: The yield is the yield to redemption of the underlying asset... Information available - previous day's price.

Table listing various financial instruments and their prices.

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UK COMPANY NEWS

MAI ups its LCAH stake

MAI financial services and media group, has bought another 1.1 per cent stake in London and Continental Advertising Holdings...

MK buys trend Control Systems

MK Electric has acquired a 77.5 per cent stake in Trend Control Systems, a manufacturer of building control systems...

Ford & Weston shares suspended

TRADING in Ford & Weston Group USM-listed shopfitter based in Derby, was suspended at the request of the company...

Bestwood takes more of brewery

Bestwood, the financial and property services company, has further increased its stake in Llanelli-based Buckley's Brewery...

Grainger Trust's shares rise again

Shares in Grainger Trust, which have risen sharply in recent days, soared again yesterday despite a statement from the directors...

Reebok seeks New York SE listing

Reebok International, the US athletic footwear and clothing manufacturer in which Pentland Industries of the UK holds a 37 per cent stake, announced yesterday that it is to seek a listing on the New York Stock Exchange...

Non-banking growth at Hill Samuel

BY DAVID LASCELLES, BANKING CORRESPONDENT

Hill Samuel, the UK merchant banking group, yesterday reported a 9.7 per cent increase in interim profits after tax. But the improvement came from the group's non-banking operations...

rate and inflation effects, and \$3m of costs associated with building up the securities side of the business in the run-up to Big Bang...

ment management profits was due partly to £2m of additional revenues from the newly-acquired Investor Advisers Inc. of Minneapolis...

first 10 days of the Big Bang. Mr Castleman said that trading volumes in both the gilt and equities market-making operations of Hill Samuel had been higher than expected...

Avis shares open at discount

By Terry Povey

The first day of trading in Avis Europe ended yesterday with the shares at 230p, below the 250p offer price but well up on the level set when the market opened...

TSB (CI) valued at £21m in USM offer

BY ALICE RAWSTHORN

JUST AS all the hullabaloo surrounding the Trustee Savings Bank flotation has died down its Channel Islands' counterpart, the Trustee Savings Bank (Channel Islands), is staging its own flotation through an offer for sale on the Unlisted Securities Market...

priority applications. Some 18,000 account holders have registered interest in the issue, as have 10,000 other residents...

Electrocomponents ahead 13% in first half

A 13 PER CENT increase in pre-tax profit for the six months ended September 30, 1986 is reported by Electrocomponents, a group distributing electronic components...

exception. Earnings for the half year rose to 11.48p (9.27p) and the interim dividend is stepped up to 2.2p net (1.9p). The tax charge was again 28.4m but there were no minorities this time (\$100,000)...

in recent months, the City was relieved by these results and claims to be Britain's biggest electronic tool supplier. The move into the US four years ago has still to prove its worth, however, and the company suffered a small operating loss there last year...

diversified successfully and now claims to be Britain's biggest electronic tool supplier. The move into the US four years ago has still to prove its worth, however, and the company suffered a small operating loss there last year...

Table with columns for company names and dividend amounts. Includes Amber Industrial, Agnastuna, Arensen Grp, British Borneo Pet int, British Investment int, Bartonwood Brew int, Calceola Int, A. Caird, Coleroll, Dabs Simpson, Electrocomponents int, Framlington Ovr's int, Gieves Group int, Grag Shipping int, Gramplan TV int, Hill Samuel int, Keystone Inv, Normans, North Seas int, Regalian Props int, Third Mile Inv int, Westbury int, Yorklyde.

Wells Fargo & Company U.S. \$200,000,000 Floating Rate Subordinated Capital Notes due 1998

TEOLLISUUDEN VOIMA OY (IVO Power Company) US\$100,000,000 Floating Rate Notes due 2004

Large advertisement for Virgin Group. Text: 'AT VIRGIN WE BELIEVE DECISIVENESS BRINGS SUCCESS.' Includes a large 'Virgin' logo and the question 'DO YOU?'. Bottom text: 'FROM THE ROCK MARKET TO THE STOCK MARKET'.

UK COMPANY NEWS



THE SOUTH AFRICAN BREWERIES LIMITED

(Incorporated in the Republic of South Africa)
Reg. No. 69/16026/06

ABRIDGED INTERIM REPORT for the six months ended 30 September 1986

- SALIENT FEATURES**
- Turnover
 - Growth of 23% and beer volumes, 12%
 - Earnings per share
 - Improvement of 56%
 - Interim dividend
 - Increase of 25% to 12.5 cents per share
 - Prospects

There are encouraging signs of a return to real growth in the overall economy. If this upswing can gather momentum, then earnings for the year as a whole will reflect satisfactory improvement though not of the same magnitude as that of the first six months.

INTERIM DIVIDENDS

On 5 November 1986 the Directors declared the following interim dividends on account of the year ending 31 March 1987 payable on or about 29 December 1986 to Shareholders registered on 21 November 1986.

Ordinary shares
An interim dividend of 12.5 cents per share (last year's interim dividend 10.0 cents per share).

Preference shares
Interim dividends per share, calculated in respect of the six months ended 30 September 1986, on the following classes of preference shares:

- 6.2% cumulative (R2 each): 6.2 cents
- 7.0% redeemable cumulative (R1 each): 3.5 cents
- 7.0% cumulative (R1 each): 3.5 cents

2 Jan Smuts Avenue Johannesburg 2001 Republic of South Africa

Copies of the Interim Report will be posted to registered shareholders and can be obtained from the London Secretaries Bamato Bros Limited 99 Bishopsgate London EC2M 3XE.

Acquisitions boost Coloroll midway

BY DAVID GOODHART

Coloroll Group, the UK's largest integrated home fashion company, has announced half year results slightly ahead of market expectations with pre-tax profits up 47 per cent to £4.5m and turnover up 69 per cent to £44.4m.

The figures are considerably boosted by acquisitions and include, for the first full six months, Wallmaste in the US, now fully controlled by Coloroll, Worley Wallcoverings acquired for £5m, Alexander Drew the textile manufacturer bought for £2.5m, and three and two month contributions from respectively, Bittons and Staffordshire Potteries, the two ceramics companies.

Despite increasing the share capital from 27.5m shares to 41.3m since April 1 1986 earnings per share rose by 23 per cent to 6.4p from 5.2p (restated from 5.3p). Mr John Ashcroft, chairman, said the outlook was promising. "The medium term prospects are excellent given the level of new business envisaged from the integrated home fashion concept increasingly sought by our major customers."

Coloroll designs, manufactures and markets, wallcover-



Mr John Ashcroft

ings, household textiles, furnishings and ceramic tableware has for the first time provided a breakdown for its six divisions.

Pre-tax profits for the six months to September 30 were up to £1.66m from £1.16m for the largest division UK Wallcoverings, which had half year turnover of £21.67m, home furnishings profit was £370,000

(£315,000), packaging £300,000 (£228,000), (USA) wallcoverings £309,000 (£750,000). Australia reduced its loss from £70,000 to £28,000 and the limited first contribution from the ceramics division came to £460,000.

Coloroll has increased market share in UK wallcoverings from 3 per cent in 1978 to 30 per cent and following its double purchase in ceramics now has the largest UK market share of the earthenware sector, at 28 per cent.

The company said the profits dip in the US came from new products designed to appeal to the DIY market but it was confident of a very positive full year. In Australia the company is hoping to move into profit on the full year.

Coloroll also announced Staffordshire Potteries had achieved its pre-tax profit forecast of £1.45m on turnover of £25.2m for the year ended June 30.

Interim dividend was up by 15 per cent at 2.3p.

A sharp rise in investment income boosted pre-tax profits of Caledonia Investments by 30 per cent to £2.5m in the six months to September 30 1986. Pre-tax profits in the same period last year were £4m.

Caledonia's main investment is a 46.5 per cent stake in British & Commonwealth Shipping, the holding company where Mr John Gunn was recently appointed chief executive.

The interim dividend is increased to 2.2p from 2p from earnings per share up from 2.73p to 3.64p.

Turnover rose 12 per cent to £5.7m (£5.1m) and investment income was up 29 per cent to £4.42m (£3.42m). Net interest receivable was £306,000 (£144,000) and administration expenses totalled £114,000 (£95,000). The trading profit was £2.5m (£2.5m) and £250,000 (£581,000). Minorities were £55,000 (£59,000) and tax took £1,56m (£1,28m).

Amber Industrial Holdings, the industrial aerosols manufacturer controlled by Caledonia Investments, announced pre-tax profits up 6 per cent at £512,000 (£481,000) during the same period, on turnover up from £4.17m to £4.6m.

Amber's principal subsidiary, Amberall, performed strongly over the period but contributions from Causeway Steel and March Cold Stores were reduced, the directors said.

The interim dividend is increased to 3p (2.8p) on earnings per share up from 11p to 12.2p.

Westbury, the householding group, lifted its pre-tax profit by 44 per cent to £2.5m in the half year ended August 31, 1986, and says all indicators for trading in the remainder of the year are favourable.

The group's shares were offered for sale in May at 145p. In September it expanded by acquiring the Midlands housebuilding operations of Christian Salvagen for £12.6m financed by a share offer.

At the time of the acquisition the directors said Westbury trading profits for the half year were £3.66m (£2.06m). That figure was achieved and, with a reduction from £1.12m to £248,896 of interest charges, the pre-tax profit was £2.51m (£1.95m).

In the half year the group sold 824 units, compared with 861, but produced a turnover of £22.2m (£22.4m). This was in line with its policy of building more detached houses at higher prices.

The acquisition of the former Salvagen operation brought in a land bank of 1,396 plots on 21 acres. Earnings were 7.53p (6.75p) per share, and an interim dividend of 1.5p net is being paid. For the 1985-86 year the pre-tax profit was £4.26m.

Windsmoor's profits fail to match expectations

Windsmoor, the women's fashion manufacturer which said last week it had achieved a full year profit of £2.5m, reported lower than expected pre-tax profits of £881,000 in the six months to August 28 1986. Compared with £915,000.

In August, Windsmoor parted company with its issuing house, Chase Manhattan Securities, following the revelation that

some staff had applied on their own accounts for Windsmoor shares. They then "staged" the issue by promptly selling them at a profit.

The directors said that the year had begun well, despite difficult trading conditions. However, they reported that the need to take higher than usual mark-downs to clear spring and summer stocks and to make conservative stock write-downs at the end of the first half, had together resulted in sales and profits being lower than had been anticipated.

They reported that the company had opened a further 43 Windsmoor and Planet concessions this year, of which 21 had started trading during the first six months. Further openings were expected before the year end.

Trading in the concessions so far in the second half had been rather slow, they said, although Windsmoor's wholesale activities—particularly sales of own-label merchandise—had progressed well. They suggested that the second half would not account for such a high proportion of year-end profits as it did last time.

After tax of £339,000 (£371,000), earnings per 5p ordinary share worked through at 2.62p, up from 2.32p last time.

The directors declined to declare an interim dividend but said that they intended to recommend a final of 2p.

Investment income lifts Caledonia profit to £5m

A sharp rise in investment income boosted pre-tax profits of Caledonia Investments by 30 per cent to £2.5m in the six months to September 30 1986. Pre-tax profits in the same period last year were £4m.

Caledonia's main investment is a 46.5 per cent stake in British & Commonwealth Shipping, the holding company where Mr John Gunn was recently appointed chief executive.

The interim dividend is increased to 2.2p from 2p from earnings per share up from 2.73p to 3.64p.

Turnover rose 12 per cent to £5.7m (£5.1m) and investment income was up 29 per cent to £4.42m (£3.42m). Net interest receivable was £306,000 (£144,000) and administration expenses totalled £114,000 (£95,000). The trading profit was £2.5m (£2.5m) and £250,000 (£581,000). Minorities were £55,000 (£59,000) and tax took £1,56m (£1,28m).

Amber Industrial Holdings, the industrial aerosols manufacturer controlled by Caledonia Investments, announced pre-tax profits up 6 per cent at £512,000 (£481,000) during the same period, on turnover up from £4.17m to £4.6m.

Amber's principal subsidiary, Amberall, performed strongly over the period but contributions from Causeway Steel and March Cold Stores were reduced, the directors said.

The interim dividend is increased to 3p (2.8p) on earnings per share up from 11p to 12.2p.

Grampian TV jumps 64%

Grampian Television, the Independent Broadcasting Authority contractor for the north of Scotland, revealed pre-tax profits up 64 per cent from £261,745 to £428,488 in the six months to August 31 1986. Turnover moved ahead from £7.5m to £8.5m.

Mr John Fenwick, chairman, said the company had seen a marked improvement in advertising revenue had been responsible for the first half upturn. But he noted that while the trend in national advertising revenue was upwards, a greater proportion had been spent in the south east of England than ever before.

However, he said that provided national advertising revenue remained buoyant, he expected the company to register full-year profits before Eschequer Levy in excess of the £1.66m of the year ended February 28 1986.

After tax charges of £176,000 (£121,000), earnings per 10p ordinary share worked through at 1.87p—up from 1.04p last time.

The directors have declared an unchanged interim of 0.43p.

Newmarket's US hopes

Newmarket Company, a leading venture capital group, suffered a 5 per cent fall in dollar terms in net asset value per share in the three months ended September 30 1986. However, in sterling terms, the performance showed a marginal 0.6 per cent improvement.

Net asset value at end September was £2.33 (£1.64) per 5 cents share compared with £2.51 (£1.68) at June 30 1986 and £2.38 (£1.71) at September 30 1985.

Mr Alan Henderson, the chairman, said that the American stock market during the period had been disappointing, culminating in a major decline in share prices in September.

Since the end of September, stock market fears of a recession in the US had receded and the company had seen an encouraging rise in the value of number of its US quoted investments.

GIVE US YOUR FLEET DETAILS MONDAY- WE'LL SEND THE CHEQUE TUESDAY!

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NOTICE TO LOMBARD DEPOSITORS

Interest is credited on each published rate change, but not less than half yearly.

14 Days Notice
Minimum deposit is £2,500

10³/₈% p.a. | 7-75% p.a. | 10-91% p.a.

Cheque Savings Accounts
When the balance is £2,500 and over

9¹/₂% p.a. | 7-10% p.a. | 10-00% p.a.

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Lombard North Central
17 Bruton St, London W1A 3DH.

U.S.\$2,000,000

Short-term Guaranteed Notes issued in Series under a U.S.\$280,000,000 Note Purchase Facility by

Mount Isa Mines (Coal Finance) Limited

Notice is hereby given that the above Series of Notes issued under a Production Loan and Credit Agreement dated 30th March, 1985, carry an interest rate of 5 1/2 per cent per annum. The Issue Date of the above Series of Notes is 7th November, 1986 and the Maturity Date will be 7th May, 1987. The Euro-clear reference number for this Series is 28315 and the CEDEL reference number is 839399.

Manufacturers Hanover Limited
Issue Agent

6th November, 1986

COMPANY NEWS IN BRIEF

HAWKER SIDDELEY CANADA: Sales in the nine months ended September 30 1986, up from C\$22,282m to C\$305,622m and pre-tax income from C\$21,582m to C\$24m. A current exchange rate sales for the period were £156.4m and the pre-tax income £12.3m.

AMBRIT INTERNATIONAL (USM quoted oil and gas exploration and development group). Operating loss £1.02m (£7,214 profit) for first half of 1986. Loss before tax \$996,016 (£55,139) and loss per 25p ordinary (restricted voting) share 4.7p (0.3p).

WEIR GROUP subsidiary, Peacock Inc, has purchased the engineering services and hydraulic distribution business of Curtis Hoover at Edmonton (Alberta) and Fort St John (British Columbia) for C\$5.3m (£2.7m). Curtis Hoover had sales of C\$10m in the ten months to end-August. Weir recently sold most of its steel foundry activities for £9.3m cash.

GRAND CENTRAL INVESTMENT HOLDINGS: Interim dividend 0.25p for six months to June 30 1986. Turnover £1m and pre-tax profit £143,900 (loss £18,947). Tax £35,039

McINERNEY PROPERTIES (Dublin-based construction company and housebuilder): Interim dividend 1p (same) for six months to June 30 1986. Turnover £36.1m (£29.1m) and pre-tax profit £2.5m (£2.1m) and pre-tax profit £2.5m (£2.1m) after exceptional income £128,225 (£83,567) and interest charges of £29,556 (£30,123).

TR AUSTRALIA'S net asset value fell by 7.1 per cent to 99p at this ending August 31 1986. This improved to 110p by September 30. Total revenue rose from £1.7m to £1.91m.

NORTH ATLANTIC SECURITIES (investment company): Final dividend unchanged at 2.4p, making 3.4p (3.4p) for year ended September 30 1986. Net asset value 461.3p (£16.1p).

VICKERS has sold the business of the Cranbury Vickers Gates head division for some £3m to a management team headed by Mr Karl Watkins, managing director. The buyout was arranged by Candover Investments.

TR INDUSTRIAL and General Trust: Interim dividend 1.5p (1.4p) net for six months to September 30 1986. Final net less than 2.6p (same) forecast on present capital. One-for-one scrip proposed. Net asset value at September 30 288.8p (197.9p) after deducting prior charges at par. Net revenue for half year £5.41m (£5.5m).

WB INDUSTRIES: No interim dividend for six months to June 30 1986. Turnover £2.28m (£2.14m) and pre-tax profit £23,509 (£26,053) loss after exceptional income £128,225 (£83,567) and interest charges of £29,556 (£30,123).

5x (1/4) = 2D

PROPOSITION

- A** Let the amazing THORN EMI 2D compact fluorescent lamp be equal to the life of five ordinary light bulbs.
- B** Let it consume a quarter of the electricity and let 5's equal the money you save, every year.
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Phone Dana Taylor on 01-363 5353 and we'll send you a free cost saving calculator to work out how much you can save and a 2D brochure to select the fittings to meet your exact requirements.

Q.E.D.

THORN EMI 2D

LONDON RECENT ISSUES

EQUITIES

Table of equity prices with columns for Issue, Annual Price, Last Date, 1986 High/Low, Stock, Closing Price, and % Change.

FIXED INTEREST STOCKS

Table of fixed interest stocks with columns for Issue, Annual Price, Last Date, 1986 High/Low, Stock, Closing Price, and % Change.

"RIGHTS" OFFERS

Table of rights offers with columns for Issue, Annual Price, Last Date, 1986 High/Low, Stock, Closing Price, and % Change.

Renotation date usually last day for dealing free of stamp duty. A Amended dividend. B Figures based on prospectus estimates. C Dividend rate paid or payable on part of capital. D Cover based on dividend as full capital. E Amended dividend and 100%. F Amended dividend and yield after some issue. F Percentages dividend cover on earnings updated by latest interim statements. H Dividend and Yield based on prospectus or other official estimates for 1987. L Estimated prospective dividend, cover and yield based on latest annual earnings. P Forecast amended dividend, cover and yield based on prospectus or other official estimates. W P/F Ratio. Figures in Indicated dividend; cover ratio to previous dividend; p/e ratio based on latest annual earnings. F Forecast, or estimated prospective dividend rate, cover and yield based on previous year's earnings. I Issued by London. J Offered holders of ordinary shares as a "rights" if it introduces. * Issued by way of consolidation. 5 Pricing price. 9 Resubscribed. 11 Issued in connection with reorganisation/merger or takeover. ** Allotment price. 2 Unlisted securities market. 3 Official London listing. 4 Including warrants entitlement.

JOTTER PAD advertisement with a grid for writing and contact information for Daniel Russell.

FT CROSSWORD PUZZLE NO. 6,171

Crossword puzzle grid with clues for Across and Down.

- Across clues: 1 Where three Magi found sanctuary? (9), 2 Costume is to scale (3, 2), 3 Ready to drop every charge included (3, 2), 4 Angered or upset by an instrument (6, 5), 5 Secondary pupils and staff take a trip by train (4, 6), 6 Cut left to go on swelling (4), 7 Sauce-boat at University (7), 8 Essential part of electric heater (7), 9 Ride off with information about rough water (4-3), 10 Crude cut goes in the air (7), 11 Length of small Scottish island (4), 12 France and this place combine spiritually (10), 13 Voice-face as regards union make with Navy (5-4), 14 Top grade mountain on outskirts of Kuala (5), 15 Standing before the court (5), 16 Sounds enthusiastic and is backing a new kind of economic theory (9), 17 According to Macbeth, blasted party leader once (5), 18 Embarrassed about envy being banished (9), 19 Ten to get no-ball; it's in the sky (10), 20 Puffs on joint—one means to take a trip (7).

AUTHORISED UNIT TRUSTS

Large table listing various unit trusts with columns for Name, Manager, and other details.

FT UNIT TRUST INFORMATION SERVICE

Large table listing unit trust information with columns for Name, Manager, and other details.

Vertical text on the left margin including 'estbury's st half ows 44% ofit rise' and other fragments.

AUTHORISED UNIT TRUST & INSURANCES

34

Whittington Unit Trust Managers
2 New Lane, London EC2V 8RT
01-400-9999

INSURANCES

AA Friendly Society
01-400-9999
Abney Life Assurance Co Ltd
01-400-9999
Adrian Life Assurance Co Ltd
01-400-9999

City of Westminster Assurance
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Handwritten signature or mark at the bottom of the page.

INSURANCE, OVERSEAS & MONEY FUNDS

Table listing various insurance and financial services, including company names, addresses, and contact information.

Table listing various insurance and financial services, including company names, addresses, and contact information.

Main table listing various insurance, overseas, and money funds, including company names, addresses, and contact information.

Money Market Trust Funds

Money Market Bank Accounts

TRADITIONAL OPTIONS

Table listing traditional options, including 3-month call rates and other financial instruments.

Notes and additional information regarding the financial data presented in the table.

COMMODITIES AND AGRICULTURE

Soviet gold sales to West up 50%, analyst claims

BY STEFAN WAGSTYL

THE SOVIET Union has increased sales of gold to the West in 1986 by more than 50 per cent in order to compensate for lower revenues from oil and gas...

Australia blocks coal deals

BY CHRIS SHERWELL IN SYDNEY

THE AUSTRALIAN Government, which in September streamlined export control arrangements to limit its involvement, has recently intervened to veto two coal export deals with Japan...

Danish mink farmers expect higher prices

By Hilary Barnes in Copenhagen

DANISH MINK farmers, who are the world's largest exporters of mink skins, expect substantially higher prices at the opening of the season in December...

Iceland and Soviet Union agree fish and oil deal

ICELAND appears to have made a breakthrough in difficult negotiations for 1987 oil supplies from the Soviet Union after the Soviet side agreed to buy 200,000 tonnes of Icelandic herring...

Brazilian orange juice price lifted

BRAZILIAN FROZEN concentrated orange juice prices were lifted by the Brazilian Government after raising export registration prices by taking the average of the previous 30 days in the New York futures market...

Ivory Coast aims to boost coffee output

BY PETER BLACKBURN IN ABIDJAN

THE IVORY Coast, the world's largest producer of robusta coffee, plans to invest some \$200 million to raise annual output by 150,000 tonnes by 1990...

William Dullforce on a wide-ranging fish industry study

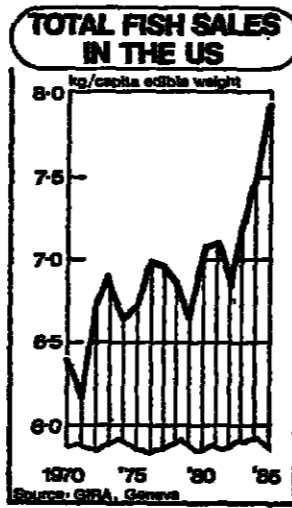
EEC urged to look further afield for fish

THE EEC Commission should do more to gain access for its member states to fishing grounds instead of merely acting as internal policeman to the common fisheries policy...

William Dullforce on a wide-ranging fish industry study

EEC urged to look further afield for fish

Trade in frozen fish blocks will be partly replaced by added-value frozen products ready for the consumer and high quality mechanically deboned fish flesh will be used in expanding range of imitation fish products or ready meals...



William Dullforce on a wide-ranging fish industry study

EEC urged to look further afield for fish

At the same time the coffee tree pruning programme is being increased by one third. Incentives in cash and kind are being offered to help ensure the success of both the planting and pruning programmes...

LONDON MARKETS

BEARISH CHART signals and rising sterling against the dollar pushed copper prices lower on the London Metal Exchange yesterday. Prices moved a little higher initially, in response to news of a strike at Noranda's...

INDICES

Table showing various market indices including REUTERS, DOW JONES, and MAIN PRICE CHANGES with columns for Nov 6, Nov 4, Nov 3, and Nov 2.

ALUMINIUM

Table for ALUMINIUM prices showing Unofficial +/- or High/Low, Cash, and 3 months prices.

COPPER

Table for COPPER prices showing Unofficial +/- or High/Low, Cash, and 3 months prices.

COFFEE

Table for COFFEE prices showing Unofficial +/- or High/Low, Cash, and 3 months prices.

LEAD

Table for LEAD prices showing Unofficial +/- or High/Low, Cash, and 3 months prices.

NICKEL

Table for NICKEL prices showing Unofficial +/- or High/Low, Cash, and 3 months prices.

TIN

Table for TIN prices showing Unofficial +/- or High/Low, Cash, and 3 months prices.

ZINC

Table for ZINC prices showing Unofficial +/- or High/Low, Cash, and 3 months prices.

GOLD

Table for GOLD prices showing Unofficial +/- or High/Low, Cash, and 3 months prices.

SILVER

Table for SILVER prices showing Unofficial +/- or High/Low, Cash, and 3 months prices.

SOYABEAN MEAL

Table for SOYABEAN MEAL prices showing Unofficial +/- or High/Low, Cash, and 3 months prices.

US MARKETS

COCOA FUTURES saw a modest, but technically significant rise, with December values closing \$21 per tonne higher on the day to test resistance at \$1910...

INDICES

Table showing various market indices including REUTERS, DOW JONES, and MAIN PRICE CHANGES.

ALUMINIUM

Table for ALUMINIUM prices showing Unofficial +/- or High/Low, Cash, and 3 months prices.

COPPER

Table for COPPER prices showing Unofficial +/- or High/Low, Cash, and 3 months prices.

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Table for COFFEE prices showing Unofficial +/- or High/Low, Cash, and 3 months prices.

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COFFEE

Table for COFFEE prices showing Unofficial +/- or High/Low, Cash, and 3 months prices.

HEATING OIL

Table for HEATING OIL prices showing Unofficial +/- or High/Low, Cash, and 3 months prices.

PLATINUM

Table for PLATINUM prices showing Unofficial +/- or High/Low, Cash, and 3 months prices.

SILVER

Table for SILVER prices showing Unofficial +/- or High/Low, Cash, and 3 months prices.

SUGAR

Table for SUGAR prices showing Unofficial +/- or High/Low, Cash, and 3 months prices.

WHEAT

Table for WHEAT prices showing Unofficial +/- or High/Low, Cash, and 3 months prices.

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WHEAT

Table for WHEAT prices showing Unofficial +/- or High/Low, Cash, and 3 months prices.

INDUSTRIALS—Continued

Table of industrial stocks including companies like British Petroleum, Shell, and ICI, with columns for stock price, high, low, and change.

LEISURE—Continued

Table of leisure stocks including companies like British Skyways, British Telecom, and British Airways.

PROPERTY—Continued

Table of property stocks including companies like British Land, Granada, and British Telecommunications.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including companies like British American Investment Trust and British Overseas Investment Trust.

FINANCE, LAND—Cont.

Table of finance and land stocks including companies like British American Finance and British Land.

MINES—Continued

Table of mining stocks including companies like Anglo American, De Beers, and Anglo Coal.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including companies like British Aerospace and British Leyland.

COMMERCIAL SERVICES

Table of commercial services stocks including companies like British Airways and British Telecom.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stocks including companies like News International and Newsprint.

SHIPPING

Table of shipping stocks including companies like British Overseas Airways and British Airways.

SHOES AND LEATHER

Table of shoes and leather stocks including companies like British Leather and British Shoes.

SOUTH AFRICANS

Table of South African stocks including companies like Anglo American and De Beers.

PAPER, PRINTING, ADVERTISING

Table of paper, printing, and advertising stocks including companies like Newsprint and News International.

TEXTILES

Table of textile stocks including companies like British Textiles and British Wool.

TOBACCO

Table of tobacco stocks including companies like British American Tobacco and British Overseas Tobacco.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including companies like British American Investment Trust and British Land.

OVERSEAS TRADERS

Table of overseas trader stocks including companies like British Overseas Airways and British Airways.

PLANTATIONS

Table of plantation stocks including companies like British Overseas Airways and British Airways.

Notes and regional/irish stocks section including information about regional and Irish stocks and a list of recent issues and rights.

WORLD STOCK MARKETS

Table of world stock markets including Austria, Germany, Norway, Australia, Japan, Canada, Hong Kong, Singapore, South Africa, and various indices.

CANADA

Table of Canadian stock markets including Toronto and Montreal, listing various stocks and their prices.

Indices

Table of various stock indices including New York, Hong Kong, Singapore, and others, with columns for date and price.

OVER-THE-COUNTER

Table of over-the-counter market closing prices for various stocks, including a list of companies and their prices.

Advertisement for Special Subscription Hand Delivery Service of the Financial Times, featuring a map of France and contact information for Ben Hughes.

Table of Chief price changes in London, listing various companies and their price movements.

Advertisement for Hand Delivery Service of the Financial Times, with contact information for Peter Sorensen.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month	Stock	Dr.	Yld.	P/E	High	Low	12 Month	Stock	Dr.	Yld.	P/E	High	Low	12 Month	Stock	Dr.	Yld.	P/E	High	Low
100	ADP	1.18	12.1	18.3	134.0	129.0	100	AMT	1.18	12.1	18.3	134.0	129.0	100	AMT	1.18	12.1	18.3	134.0	129.0
100	ADP	1.18	12.1	18.3	134.0	129.0	100	AMT	1.18	12.1	18.3	134.0	129.0	100	AMT	1.18	12.1	18.3	134.0	129.0
100	ADP	1.18	12.1	18.3	134.0	129.0	100	AMT	1.18	12.1	18.3	134.0	129.0	100	AMT	1.18	12.1	18.3	134.0	129.0
100	ADP	1.18	12.1	18.3	134.0	129.0	100	AMT	1.18	12.1	18.3	134.0	129.0	100	AMT	1.18	12.1	18.3	134.0	129.0
100	ADP	1.18	12.1	18.3	134.0	129.0	100	AMT	1.18	12.1	18.3	134.0	129.0	100	AMT	1.18	12.1	18.3	134.0	129.0
100	ADP	1.18	12.1	18.3	134.0	129.0	100	AMT	1.18	12.1	18.3	134.0	129.0	100	AMT	1.18	12.1	18.3	134.0	129.0
100	ADP	1.18	12.1	18.3	134.0	129.0	100	AMT	1.18	12.1	18.3	134.0	129.0	100	AMT	1.18	12.1	18.3	134.0	129.0
100	ADP	1.18	12.1	18.3	134.0	129.0	100	AMT	1.18	12.1	18.3	134.0	129.0	100	AMT	1.18	12.1	18.3	134.0	129.0
100	ADP	1.18	12.1	18.3	134.0	129.0	100	AMT	1.18	12.1	18.3	134.0	129.0	100	AMT	1.18	12.1	18.3	134.0	129.0
100	ADP	1.18	12.1	18.3	134.0	129.0	100	AMT	1.18	12.1	18.3	134.0	129.0	100	AMT	1.18	12.1	18.3	134.0	129.0

NYSE COMPOSITE CLOSING PRICES

Table of NYSE Composite Closing Prices. Columns include 12 Month High, Low, Stock, Div. Yld, P/E, 52 Week High, Low, Change, and Volume. Includes sub-sections for 'Continued from Page 42' and 'OVER-THE-COUNTER'.

AMEX COMPOSITE CLOSING PRICES

Table of AMEX Composite Closing Prices. Columns include 12 Month High, Low, Stock, Div. Yld, P/E, 52 Week High, Low, Change, and Volume.

Table of Over-the-Counter Nasdaq national market closing prices. Columns include Stock, Sales, High, Low, Last, and Change.

Vertical text on the left margin: 'profits', 'finnes', 'A. de C.V.', 'LAVORO', 'CITIBANK', 'NEGI'.

Notes and footnotes regarding stock prices, dividends, and data sources. Includes text: 'Sales figures are unofficial. Yearly highs and lows reflect the previous weeks plus the current week, but not the latest trading day...'.

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